MILLARD'S REVIEW

密勒氏評論報

中華郵政特准掛號認爲新聞紙類　　大正六年六月九日第三種郵便物認可

VOLUME III　SHANGHAI, CHINA, SATURDAY, JANUARY 12TH, 1918　NUMBER 7

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READERS of the REVIEW may remember that in Vol. II, No. 3, when discussing the postponement of the Boxer indemnity, we said: "With changing conditions a new point of view is being developed and the present postponement is undoubtedly but a forerunner of still further concessions—perhaps even cancellation of the entire balance of the payments." The latest evidence of the trend which the Chinese mind is taking is to be found in editorial articles published in the newly established *Peking Leader*, owned by Mr. Liang Chi-chao and edited by Dr. Tyau, for many years resident in England and the author of a most excellent work on China's treaty relations with the rest of the world. This Peking newspaper makes the point that the unpaid remainder of the Indemnity amounts to only £28,600,000, and that this sum is only a drop in the bucket compared with the Allies' losses and expenditures. It is probable that the *Peking Leader* has under-estimated the sum still due, and it may be that an actuary if calculating the present redemption value of the aggregate liability for the sum which still remains to be paid, spread out for 23 years, might say that the figure is considerably higher. Yet the point made by Dr. Tyau remains the same, namely, that the sum when compared with the total of the Allies' war expenditure is very small by comparison. The Chinese proposition as set forth by the Peking editor is as follows: "Let the Allies declare that they will waive their share to the entire unpaid remainder on the distinct understanding that China will carry on the struggle against their common enemy with the greatest vigor and the maximum of efforts and resources." It will be remembered that the Allies were induced to agree to the proposal to waive the Boxer Indemnity for five years in return for China's declaring war on Germany. The Chinese proposition now seems to be that if the Allies really wish China to enter the struggle whole-heartedly they shall agree to cancel the balance of the Indemnity entirely.

A REPORT from the Administrative Offices of the Chinese Maritime Customs for the year 1917 shows that phenomenal increases have taken place in the revenues of the ports of Dairen and Antung, and that there has also been a considerable increase in the revenue at Harbin. The figures as they stand are likely to give a wrong impression. We consider it *apropos* to discuss the situation, incidentally also because the figures confirm a point made in previous issues of the REVIEW, namely, that the Chinese Government is deriving considerable Customs revenue from the great masses of cargo which are being shipped through Chinese territory to Russia. The Customs situation in Manchuria is quite

different from that obtaining in China Proper. In China the trade of any particular district can be fairly accurately estimated by a study of the Customs figures for the nearest port. In Manchuria it is quite otherwise. The whole of Manchuria, a territory whose distances are to be measured by thousands of miles, forms one Customs district, entrance into and egress from which is made through any one of a number of ports, the principal ones being Dairen, Antung, Manchouli, and Suifenho (Pogranitchniya). By far the greatest quantity of goods moving into and out of Manchuria passes through the port of Dairen. Steamers call at that port direct from Europe and America, and there is a semi-weekly service with Shanghai. Through Antung is entered Japanese cargo carried through Korea on the Japanese railway. Manchouli and Suifenho are respectively the western and eastern termini of the Chinese Eastern Railway, and through these ports are entered whatever traffic there is with Far Eastern Russia. Suifenho becomes important because of the enormous bean export that goes through it.

THE Harbin Custom House, which stands in the center of this great Manchurian district, is not a port of entry for Manchuria. Its principal function is administrative, and the revenue collected there consists mostly of that levied on cargo carried by steamers on the Sungari river. However, during the past year the Harbin Custom House has collected an enormous export duty on the millions upon millions of parcel post packages which were made up in Harbin and posted to Russia. Almost without exception packages thus made up in Harbin had to pay the full export duty, regardless of the fact that the cargo in question, when imported in bulk, in most cases through Dairen, had already paid a full import duty. The rule followed by the Custom House at Harbin was that every package would have to pay an export duty unless by its nature it was such that it could not possibly have been a product of China. Reference to the figures in another column will show that practically no ports in China have shown an increase of revenue except the above-mentioned Manchurian ports, and while it may be true that the natural development of this region accounts for some slight accretion to the Customs revenue, the fact remains that these increases are almost entirely due to the collections which have been made on goods destined for Russia, passing through Harbin, the great mass of which had to pay into the Chinese Exchequer both an import and an export duty. And, it is always to be remembered that the Japanese Government takes 20% of the total sums collected at the ports under its control—at least this statement applies to Dairen, which is the principal port.

TSING Hua College, which stands a few miles north of the north-west corner of the city of Peking, is a modern educational institution of the highest rank, devoted to the education of Young China. It is a product of the remission by America about a decade ago of her share of the Boxer Indemnity, it having been one of the terms of the remission that the money should be devoted for educational purposes, naturally along American lines. At the head of the institution stands Dr. Tsur, who was in former years on the teaching staff of St. John's University at Shanghai. Charges have recently been brought against Dr. Tsur of nepotism, extravagance, and "squeeze." That charges of this sort should have been brought against Dr. Tsur must come as a surprise to all who know that gentleman, and so far as Dr. Tsur personally is concerned we have no means of either proving or disproving the charges. But we have every reason to believe that the charges have been brought with a purpose other than that appearing on the surface, and it is a rather curious coincidence, as we learn from travellers on the Peking-Kalgan railway, that so highly placed a personage as Mr. Hioki was to be seen wending his way to the college immediately after the charges were brought to light. From all we can learn it seems that certain influences, including some of the "old school" of Chinese, are at work to injure the standing of the college as it exists at present, principally because it is rather American in spirit and provides a bracing brand of Americanism. Our attitude towards conditions at Tsing Hua is this: We leave Dr. Tsur and his friends to meet the charges as they affect him and his administration, but if, as seems apparent, the charges are brought as part of an effort by people who wish to get control of the funds of the college to oust honest administration, and to make money from the college during the period of the Boxer Indemnity remission when the funds will not, as formerly, go through the American Legation, we say that every effort should be made to bring to light the forces that are behind the charges—one of which, it may be mentioned, is that Dr. Tsur's principal assistant, Mr. Chao, is "too modern," in proof of which offence it is cited that "he and his wife walk out together on the street." Tsing Hua college stands as a monument to a remarkable piece of diplomacy by the late John Hay, and represents what America means to China too well to be permitted to suffer at the hands of interests who are opposed to the furtherance of American influence in China.

ONE of the beacon lights of Young China in America is the *Chinese Students' Monthly*, published at Ithaca, N. Y., of which we have before us the issue for December last. Among the articles contributed to it is one on "Mining Opportunities in China," by a returned student

M. A., M. E. In the course of this article the writer says that mining rights in China have been given over to men of little or no experience, and that while claims are being advanced here and there, yet out of a hundred cases probably not more than five per cent are doing any mining at all. There is also an excellent article by C. Y. Tang, a student at Beloit, Wisconsin, on "The Cycle of Civilization." We note that Mr. Tang came out first in the Home Oratorical Contest at Beloit, that he won the first prize in the Wisconsin State Oratorical Contest, and that he also captured second place in the Interstate Oratorical contest, which was participated in by representatives from the twelve Middle-West states of the Union. Mr. Tang introduces his article in the following words: "The oldest nation is the newest Republic. While the Teutonic tribes were hunting wild beasts by the North Sea and the Baltic, China was in her golden age." Reprinted from the *Tsinghua Journal* at Peking is an article on "The Problem of Republican Government," by Prof. W. W. Willoughby, who was Constitutional Adviser to the Chinese Government 1916-17. Among the personal notes in this valuable Chinese journal we note that a baby girl was born to Minister and Madame V. K. Wellington Koo at Washington, D. C.

PRESIDENT Wilson has set the pace for the Allies by formulating America's terms of peace with the Central Powers, which he did in the course of a message delivered to Congress at Washington, January 8. The announcement of these terms comes at an opportune time when the course of the negotiations between the Russians and the Germans has indicated that the German path was not as smooth as the Kaiser's cohorts had reckoned upon. If there had been any doubt in anyone's mind, whether resident in an Allied, neutral, or an enemy country, but that America had entered this war to a finish, it certainly must be dispelled by President Wilson's peace program, which is clear and concise, and stops at nothing. With America's aims thus declared there can be no hopes that a general peace is anywhere near in sight. President Wilson not only declares for a settlement of the outrages resulting directly as a result of the present conflict, but also declares: "The wrong done to France by Prussia in 1871 in the matter of Alsace-Lorraine, which has unsettled the peace of the world for nearly fifty years, should be righted in order that peace may be made once more secure in the interest of all." This provision will be particularly distasteful to Germany, as it so happens that in these conquered territories are to be found some of present-day Germany's greatest manufacturing industries, based upon the natural resources found there. President Wilson's peace program may be summarized as follows:—Open covenants of peace; no secret agreements; freedom of navigation of the seas in peace and war; removal of economic barriers between nations; reduction of national armaments to lowest possible point consistent with safety; adjustment of colonial claims by reference to populations; evacuation of Russian territory; evacuation and restoration of Belgium; restoration of invaded French territory and of Alsace-Lorraine; readjustment of Italian frontiers along lines of nationality; autonomous development of Austria-Hungary; Rumania, Serbia, and Montenegro evacuated; Serbia given access to seas; sovereignty for Turkish portion of Turkey; autonomy for subject peoples; free passage in Dardanelles to ships of all nations; independent Polish state created, with access to the seas; the establishment of a League of Nations.

THE wealth produced each year in the United States by the 42,000,000 workers and wage-earners, aided by labor-saving machinery, which is ever increasing in efficiency and output, is colossal. For 1917 this wealth, it is believed, will exceed $40,000,000,000. The *per capita* of money in circulation on November 1, 1917, was $47.03. The general stock of money in the United States on that date was $5,768,711,565. The latest reports tell us that 28,000 national, state, savings banks, and trust companies of the country, have at this time approximately 46,000,000 deposit accounts. These deposit balances range from very small sums to more than twenty million dollars in a single account in one bank. The resources of all the banks of the United States today are over $37,000,000,000. This is an increase since July 1913, of nearly twelve billion dollars ($12,000,000,000). These are wonderful figures. Their resources now are approximately twice as great as the combined resources of the great banks of issue of leading nations of the world, including the Bank of England, the Bank of France, the Bank of Russia, the Imperial German Reichsbank, the Bank of Spain, and the Imperial Bank of Japan, according to their recent reports.

THE tremendous business expansion of the many months past, together with advancing prices for commodities and for labor, has called for the use of hundreds of millions of dollars of additional capital and accommodation from the banks. In past years, under inadequate and unscientific banking and currency methods and systems, a great increase in business activity almost invariably produced a money scarcity, occasioned high interest rates, and sometimes precipitated panics; but during the past two years, as is pointed out in an article by Mr. John Skelton Williams, Comptroller of the Currency in *The Independent*, America has had the lowest

money rates the country has ever enjoyed. These deeply gratifying conditions are to be credited largely to the operations of the Federal Reserve System, which was inaugurated just three years ago. In June last, amendments to the original Federal Reserve act went into effect improving the law along lines that experience had shown to be desirable after more than two years of operation. These amendments have added materially to the efficiency of the act as a working measure; and have among other improvements, strengthened the Reserve System by providing for a larger control over the gold supply of the country. The stock of gold, the basis of American credit structure, now more than $3,000,000,000, is the greatest of any nation on earth; and America has succeeded in mobilizing an amount of gold which is now far more than it or any other nation ever held before. The gold at this time held by the Federal Reserve Banks alone approximate $1,500,000,000.

THOSE who have thought that there were too many swollen fortunes in America will be surprised to learn that there have been too few, according to the official figures. Only those who think that no man has a right to a million dollars can think that the United States ought to have fewer great fortunes than England. Yet that is the record, upon a comparison of the income tax payment figures. America's population and wealth are so much greater than England's that on either standard American millionaires ought to be more numerous than the British. They are so only as respects the total number. The number and proportion of great properties are overwhelmingly in favor of England, or against England, as some would put it. America has 22,696 possessors of fortunes whose incomes at the rate of 4 per cent show them to be millionaires. England has only 5,154. Yet, as the editor of the *New York Times* points out, with only a quarter as many of this class England has seventy-nine payers of income tax on $5,000,000 to America's ten. At the 4 per cent rate of yield, they are the very rich of the two countries, with fortunes of $125,000,000 or more. America has nine with fortunes, as thus calculated, of about $100,000,000, and incomes between four and five millions. England has sixty-eight. There is a similar disproportion for all classes of fortunes, down to owners of $25,000,000 to $37,500,000. Of them America has ninety-seven to England's eighty-three. From that point down America's greater total gives the advantage of possession of moderate millionaires to the Stars and Stripes. Of course there is ample room for error in this way of estimating fortunes, since a man with no fortune at all,save his brains and his industry, may be receiving an income of $50,000.

MANKIND with its science and its mechanical arts has been creating a monstrous machine which is well on the way towards destroying its creator; the perils that may arise from War's efficiency are by no means unreal. "Unless some conscience is aroused that natural science is not to be used against man, but for him, then it will never be safe for this world," said Dr. Ira N. Hollis, retiring president of the American Society of Mechanical Engineers, at the annual meeting held in New York City last month. The keynote of his address was that training for citizenship is the safeguard for democracy. "It is our task, as engineers," said Dr. Hollis, "to assist in making the world safe against the forces that we have unloosened, so that the century may not close with a total failure of the civilizatian of Christian races. It is we who have developed the applications of natural science, and it is we who are using it to destroy one another, forced into the struggle by the rulers of a nation that knows no right except might, and no mercy except that which is taught by the sword. The Twentieth Century is still young, and we do not yet know what it will represent to the future historian. Will it be the debauch of natural science, or will it mean a new birth to Christianity? It is the engineers' task to decide this. There are two tendencies; one toward greater comfort and luxury, and one toward greater service. The first can plunge us only deeper and deeper into war for the control of a commercial output. It can only bring us more firmly under a governing class derived either by birth or by commercial success. The second means the complete emancipation of the individual trained to think of service as the chief source of good government and happiness in life. The only theory that will hold men together is that of service."

MILLARD'S REVIEW
OF THE FAR EAST

PUBLISHED AT NO. 113 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, MEX. TEN DOLLARS IN ADVANCE, POSTAGE INCLUDED, IN CHINA AND THE FAR EAST. IN THE UNITED STATES FIVE DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND CLASS MATTER IN THE AMERICAN, CHINESE, BRITISH AND JAPANESE POST OFFICES AT SHANGHAI IN MAY, 1917

AMERICAN and other mission fields in foreign lands had to contend with a reaction against Christianity upon the outbreak of the war, but fortunately this attitude was not permanent, as otherwise it might have been the end of foreign mission activity. The counter-reaction, however, happened, says the Rev. James L. Barton, foreign secretary of the American Board of Commissioners for Foreign Missions, "when the East understood the object for which England was fighting and what later led the United States to take a hand in the great world-conflict." Dr. Barton recently completed a course of lectures at Andover Theological Seminary on the general theme of the effect of the war on foreign missions. One of the mission fields most affected by the war was Turkey, concerning which Dr. Barton said: "A large number of Americans, about three hundred, have remained in Turkey, carrying on educational and other work, but giving their special strength to the distribution of relief. Many of the educational institutions are going on with full attendance even since the breaking of diplomatic relations with Turkey. There is strong reason to feel that radical changes will take place in Turkey as soon as the war ceases, which will give a larger freedom for the development of American institutions there. Some of these plans that are now under consideration can not be given to the public at the present time, but much preparation is being made looking toward such a protection of that country, and especially of the non-Moslem peoples, that most of the difficulties which have confronted all missionary work there for the last half-century will be removed. We must not forget that the Turkish atrocities have not been committed by the masses of the people, but only by a small percentage; neither can we forget that the officials of Turkey to-day do not represent the best Mohammedan element in Turkey, but only a small group."

IT has been rare indeed that a British subject, or for that matter a foreigner of any other nationality, who admittedly has assaulted a Chinese servant, is brought up into Court without a fine being imposed on him, but this occurred in the British Police Court at Shanghai during the week. The circumstances in the case were that the servant in question, who was in another foreigner's employ, had shown himself particularly impudent, had used characteristically nasty expressions, and that the foreigner in question in return had hit him on the nose until it bled. Chinese servants, particularly those of Shanghai, as a rule are a very polite and obliging lot, but there is a small percentage—unfortunately there has been a tendency for the percentage to increase during the past few years—who have presumed on their growing importance, with the result that situations often arise similar to that in the present instance. It had become a sort of a tradition among this class that no matter how outrageous their actions—there have been instances frequently indeed of Chinese boys in similar circumstances turning their faces to the employer with whom they were having a dispute and inviting and taunting the latter to hit them, the idea being that in such a case the servant would have the satisfaction of seeing the employer fined in the Police Court, no matter what the circumstances may have been. It is a gratifying matter to have this tradition exploded. In this particular instance the servant in question had purposely smeared the blood over his face so as to make out a strong "case." In the majority of instances the best remedy for an employer is to discharge the recalcitrant servant, but that is not always possible, as for example in this instance, when the servant was in another's employ. Some years ago a Shanghai policeman had to answer a charge of "assault" in the British Police Court, because in order to induce a Chinese woman who insisted on taking her siesta on a small chair in the middle of the sidewalk, he playfully had slapped her in the face. Under similar circumstances a New York or London policeman would probably have used a club and any complaint to headquarters would have been met with a smile, and nothing more.

When The War Ends

From The Statist, London, November 10, 1917.

THE Chancellor of the Exchequer last week, after pointing out very clearly that the burden of permanent debt heaped upon Britain by the War is by no means as heavy as the manner in which the weekly returns were made up led the country generally to suppose, went on very naturally to encourage the public to take a more hopeful view as regards the future. To put this part of his argument in the briefest possible way, we may say that he contended that, however long the War may last, the United Kingdom will not find itself when peace returns in anything like as bad shape as it was in during the generation which followed the Battle of Waterloo. We anticipate that no economist worthy of the name, who has even a very moderate acquaintance with the history of the United Kingdom during the last century, will for a moment controvert the conclusion thus arrived at by Mr. Bonar Law. Great Britain will have serious difficulties. There can be no question about that. And the peaceful and satisfactory settlement of these will need high statesmanship. But it would be preposterous to assert that however long the War may last it will plunge Britain in difficulties at all comparable to those experienced between the downfall of Napoleon and the completion of the

British railway system late in the 'forties of last century. As the matter has been raised by the Chancellor of the Exchequer, it may be well to remind our readers of what the condition of the United Kingdom was in that evil time. The population of Ireland grew with marvellous quickness from the outbreak of the American War of Independence until the great Famine of 1846-7-8. During that period, firstly, there had been a repeal of the worst provisions of the Penal Laws during the War of Independence; secondly, there had been another repeal of the remaining worst provisions on the outbreak of the war with Revolutionary France; and, thirdly, there had been what is generally known as Catholic Emancipation in 1829. From the outbreak of the War of Independence until 1829, therefore, remedial measures of a very sweeping nature had taken place. But, unfortunately, they really benefited only the well-to-do. Beyond all question, they opened a career in their own country to the well-to-do and the educated; but they hardly touched the mass of the population. And, as has just been said, that mass was increasing at a rate that ought to have alarmed all thinking men. The land of Ireland was owned by the descendants of English, Scotch, and Welsh adventurers almost entirely; and, as is common with those who get easily, what was obtained without much trouble, was spent without much thought. Consequently, the landowners pursued a career of mad extravagance. To support this they attempted to exact from the English and Scotch tenants whom they had invited over in the beginning in large numbers, extravagant rents, with the result, that the descendants of those settlers for the most part refused to retain the lands, and emigrated to the United States, where they were amongst the bitterest antagonists of the Empire when the War of Independence broke out. The lands so thrown up were eagerly taken by the Catholics, who practically had no means of earning a livelihood except upon the land, for almost all skilled occupations were in the hands of Protestants, and from these Catholics were rigorously shut out. Ireland, therefore, between the War of Independence and the great Famine, was in a state of unending though not openly proclaimed civil war. There was, first, the great agitation which was ended by Catholic Emancipation for the abolition of tithes. Then there arose the agitation for the repeal of the Union. The population, as already said, was growing rapidly, and if O'Connell had meant what he seemed to mean he could have raised a most formidable insurrection. For it is to be recollected that at that time the extreme poverty of the Irish Catholics drove multitudes into the Army; and, consequently, the Irish formed a proportion of the Army immensely greater than at any other time in British history. The great Famine brought on disease of every kind, including pestilence, which swept away a fearful proportion of the population, and then the bulk of the enterprising young men and young women fled from the country to the United States. The condition of the Highlands was, of course, nothing like so bad as that of Ireland, and yet it was exceedingly bad. Multitudes were turned out of their holdings, and the emigration to Canada was on a vast scale, while the feeling of exasperation was nearly as violent as in Ireland.

In England and Lowland Scotland the working classes had increased not only in numbers but in intelligence owing to the growth of manufactures since the middle of the Eighteenth Century. Yet the working classes were denied by the law the right to have a voice in the settlement of their own wages. There was, therefore, a keen and even a very bitter struggle going on between the banded working classes and the law. The attendant results of this struggle were "rattening" in the manufacturing districts, and rick-burning in the agricultural districts; while in the 'forties there arose the Chartist agitation, which at one time so alarmed the authorities that the Duke of Wellington himself took command of the forces called out for the protection of London. That there is no serious danger of anything approaching to a resemblance to this state of things is a matter of course, even if the War lasts much longer than any one anticipates. There are none of the elements for the hostility to Government that then existed everywhere, and there is nothing likely to happen to engender such a feeling. If it be asked how were such dangers conjured away, and in what manner was it that prosperity was so rapidly re-introduced, the answer is the introduction of the railways, or, in more general terms, beneficent inventions. The British railway system was planned and completed during the 'forties of last century. While the work was going on it gave employment at high wages to vast numbers of working people; and as it progressed it brought the great markets within the reach of the producing classes. The success of railway building in England was immediately followed by a similar railway creation abroad. Everywhere it was seen that prosperity could not be secured without railways; and, therefore, railway building was carried on upon a scale that cannot be realised by the present generation. The first result, of course, was that not in Great Britain alone, but throughout Europe and in the United States, railway building gave employment to vast masses of people who had previously been half-starved; and, therefore, encouraged that vast emigration which at one time seemed to be emptying the United Kingdom and Germany into the

United States. Invention came to the rescue of the world when misgovernment and want of statesmanship had almost ruined it; and the prosperity we have enjoyed since has been the result. It is hardly necessary to point out, then, that we possess now the results of the beneficent inventions which saved Europe in the middle of the last century, and which have raised the United States to its present proud pre-eminence. Those inventions, though they are in a sense becoming old, are actively working, and they make it impossible that our population can be reduced to the misery in which people grovelled in the first half of the last century. Besides, there is always the probability, or, at all events, the possibility, that new inventions may be impending; and, therefore, that great as our difficulties are sure to be, we shall be relieved by the one agency which corrects the incompetence and the misdeeds of statesmanship and enables the human race to rise in spite of all its follies.

Beans

PREVIOUS articles in the REVIEW have called attention to the great interest which has been aroused in America and in European countries in recent years in beans and bean products. In China, however, beans have been one of the principal crops from time immemorial, and bean products have been one of the principal mainstays of China's dietary. Mr. N. Gist Gee of Soochow University, who is an expert on nearly all lines of China's animal and vegetable life, in referring to the fact that all nations as a result of this frightful war are looking about for the best foods at the most reasonable prices, says: "It is only natural that experts should come to China to learn how it is that the Chinese people can support themselves so economically". One of the reasons why the Chinese live so well on so little money is that they use nourishing vegetable foods to the best advantage, and the best example of this class of food is that of the bean. The facts given below are collated from an elaborate treatise on beans by Mr. Shih Chi Yen of Soochow University, which, in its original form, is too lengthy for the REVIEW's columns.

The great majority of products extracted from soya or other beans in China are only intended for Chinese consumption, and the greater proportion of these have no particular interest for foreigners. On the other hand there are several bean products produced in China which are of the greatest interest to Americans and Europeans, as they are used as the basis for many of the relishes and sauces so popular in Western lands. Among these is the product known by the Chinese as "to chiang," which may be rendered into English as "bean sauce." This sauce, while it can be made from any kind of beans, is mostly made from the water white bean. This bean sauce, aside from the interest that attaches to it as a food product on its own account, is of importance in that it forms the base of the more valuable "chiang yu," the nearest approach to the meaning of the Chinese words in English being "sauce oil."

The production of bean sauce is quite an elaborate process. First the beans are steeped in cold water for about twelve hours, then washed and boiled for about six hours; after the beans have been taken out of the water and cooled they are, while still in a moist condition, dipped into ordinary wheat flour, with the natural result that the flour adheres to the beans. The beans thus treated are spread out on matting and covered with the large leaves of reeds until they begin to ferment, or indeed become mouldy; after a week of this treatment the beans are thoroughly covered with a whitish mould. The moulding process is brought to an end at this stage by placing the beans in the sun for several days, when the beans are poured into a large earthenware jar containing cold water, heavily impregnated with salt. After the jar has been allowed to stand in the sun for about a week the beans are ground into a black, thin liquid having an agreeable saltish flavor and frothing up with a yellow color when the jar is shaken ever so slightly; this thin liquid is the bean sauce. This sauce is used by the Chinese to boil with cabbage or meat; also as a sauce and eaten with meat to give it a salty flavor.

"Chiang yu" or "sauce oil" is manufactured from the afore-described bean sauce and also from what the Chinese call "to pan", the latter being the mouldy bean mixed with salt and water, the proportion of the constituents being the same as for the bean sauce. After the bean sauce has been placed in the sunshine for about two weeks it is ready for the process of manufacturing the "sauce oil." A small basket, the outside of which is wrapped with coarse linen cloth, is pressed down into the product described in the previous paragraph. A stone or an iron ball, about four pounds in weight, is put into the basket to force it down into the material which is contained in the jar. Then the juice seeps through the linen cloth into the basket. Next a big spoon is used to collect the oil out of the basket and it is then poured into small earthenware jars. A piece of cloth and the big leaves of bamboo are laid across the mouth of the jar and they are bound together around the neck of the jar with a cord and then the jar is placed in the sunshine for about two weeks. After this a straw cover is added on the top of the jar and it is thus kept for use. This method is the one largely used to prepare sauce oil for the market.

Usually, if it is prepared for home use, it will be boiled four hours, after it is collected from the basket. After boiling it is poured into small jars, kept open until it has cooled and then sealed as above. Sauce oil is sometimes used to boil together with meats or cabbages in the same way as bean sauce, but it is more generally used as a relish with the above-mentioned foods, after they have been boiled.

However, the most valuable product from a foreign point of view is bean oil, which can be obtained from any of the Hispida beans; but the water white bean and eighth month white bean are generally used for this purpose. For this reason these are called oil beans. The first step in the process of extracting the oil is that the beans are threshed out from the pods and put in the sunshine about three or four days in order to dry. They are tested by crushing with the teeth; if they are properly dried they crush readily into two halves. If they have been over dried, they must be spread on the ground over night so as to allow them to absorb moisture in order to become softer, and when they are in the proper condition they are poured into big coarse cloth bags in order to be shipped to the factory where the bean oil is made. The beans are first ground in a large stone mill, about five feet in diameter and five inches thick. The mill is usually turned by a cow or buffalo, although year by year foreign steam-driven machinery is more and more being introduced. After this, they are ground in another kind of mill, which is of the same size and thickness as the first, except that its teeth are finer. The bean meal is then steamed for about an hour in a small round bucket, about one foot and seven inches high, one foot in diameter at the top and seven inches at the bottom. At the bottom of the bucket are two pieces of wood, about two inches square, making a cross which serves as a support for the convex, perforated, bottom which is made of bamboo and is placed on the top of it. One bucket, when filled, holds about five or six catties of bean meal. A kind of grass which is called *lai tsao*, is cut about two feet long; this has a knot tied in the center and is then spread into a half circle. Two of these are placed together and then put into the bamboo rings to form a bottom. The bamboo rings are made of long narrow strips of bamboo wound together somewhat as the hoops on tubs, except that they are much thicker and rounder, being made of ten or fifteen of the bamboo strips. The ring fits into the frame and is about one foot five inches in diameter. Then the steamed meal is poured on the grass and pressed with the foot until it becomes a compact mass; then another two rings are added on and another layer of the grass is folded in the rings just as before. Two rings make one bean cake, and twenty bean cakes make one *tso* of oil. To make twenty bean cakes requires one hundred and forty catties of beans, and fourteen catties of oil can be obtained from this amount.

Oil beans are planted usually early in June. At first the land is divided into beds about three feet wide and running the entire length of the field; this is done for the convenience of the workmen. In the winter time, the farmers plant the wheat, barley or rape, etc., in the field. After these are cut off, they leave the fields open for some weeks before planting the beans. The beans are sown broadcast on the beds. About ten days after the beans have been turned under the farmer will go to the field to see whether the beans have sprouted. If some of the seeds fail to grow, the farmer will have to replant the spots one by one to fill in the vacant places. A fertilizer is not used with beans, as these legumes have nitrogen-gathering bacteria in tubercles which grow on the roots to help them to get their necessary sustenance. The average Chinese farmer is not familiar with technicalities, but he knows from experience, or from the traditions of his ancestors, that beans grow well without a fertilizer. He knows that a field which has been planted with beans is more productive than other fields.

The harvest time for beans is the latter part of October. The farmers use a big piece of old cloth to wrap up their hands and then pull the beans by their stems from the ground, after which they are put in the sunshine for two or three days in order to dry them thoroughly; the beans are then threshed out from the stalk. There are two ways to thresh beans: One is, that the bean stalks are spread on some smooth ground or threshing floor and beaten with a bamboo implement; a bamboo stick, about four or five feet long, is used to make a handle, one end of which is bent to form a hook. Then another bamboo is split into small pieces, about half an inch square and one foot and a half or two feet long. Four or five pieces are bound together with cowhide thongs, making a flail about three inches wide. At one end of these is tied a piece of round wood, about three inches long and half an inch in diameter. At one end of the round wood is a knob which is a little larger than the wood itself. Then the wood is put into the hook of the handle and tied with a straw rope. Thus the farmers have a handle to the implement, with which they beat out the beans. The other way of threshing is, that the farmers catch hold of the stalk of the bean and beat the beans out on a stone. After this, a large basket, perforated with holes, is used to sift the dust from the beans, which are then poured on matting and placed in the sunshine for three or five days. After the beans are thoroughly dried, they are put into large coarse cloth bags for shipment to the bean-oil mill.

Preservation of the Art and Monuments of China.

The following paragraphs are extracts from an Address on the Preservation of the Traditional Art and Monuments of China, by Dr. Paul S. Reinsch, American Minister, at the Peking Language School, assembled last week at the British Legation.

THE historic sense of China is turned entirely upon the past. As the Chinese families have their records covering generations and centuries, so indeed the annals of national life are also treasured. But they are treasured rather as a glorious memory of a perfection to which the actual no longer corresponds, than as a basis for present institutions and future policy and action. The republican and democratic movement in China would be greatly strengthened if, instead of relying mainly upon theories and forms developed elsewhere, it should treat Chinese historic traditions as the point of departure. In Chinese custom, practice, and philosophy, there is found a sufficient basis for a development of representative institutions. Though some attention has been paid to this by reformers, I believe that institutions might well be directly based upon these Chinese elements with only such reference to foreign practice as will point the way to further development.

What I have said about present political thought is a symptom of the danger in which China finds herself. The technical efficiency of the Western nations is so great that in a desire to emulate there is a danger that the treasures of Chinese tradition may be undervalued, and it be forgotten that the Western nations are strong not because they have certain methods and institutions, but because these methods and institutions are a natural outgrowth of historic forces at work within these nations, and that the greatest strength of the nations lies in the continuity of their national spirit, by which all their methods and actions are informed.

As the most active men in the nation are naturally desirous for development towards modern methods of strength, the danger is that only those who have little originality will be left to cultivate traditional art, and that it may be looked upon as purely antiquarian lore.

There are, of course, also economic forces at work which are unfavorable to the continued development of Chinese art. Throughout the world the artistic handicrafts have been destroyed or reduced to very small proportions through machine processes, against the cheapness of which handicrafts can not compete. However, China is in this matter in a rather more favorable situation than were the European countries, and India, for instance. A large demand has subsisted for artistic manufactures of the highest quality. The general increase in wealth affords support. China at present still has the inestimable treasure of trained workmanship, particularly in the manufacture of porcelain and of silks. If these art industries could only hold on, if their products could be made available in the West through efficient methods of distribution, they would receive a continued and increasing support strong enough to assure their permanence.

At present the art which is most in danger of being lost is music. Anyone who has examined the musical instruments at the Confucian Temple at Chufu or here in Peking, and who has heard even the present performances thereon, which by the testimony of the Chinese are utterly defective, will recognize that Chinese music, when these instruments and their use were perfect, must have been full of marvellous and beautiful effects, foreign to the orchestration of the West. Even the faint echo of these splendors conveyed in the music at the present Confucian ceremonies, with the intonation of a major, followed by a surge of many-colored sounds, would have suggestions of great value to the modern musician. But the art of Chinese classical music is now very nearly lost, although it might be possible to resurrect it. It is no longer a living tradition embodied in the training and abilities of living people, but it has become dead.

The art of architecture is also threatened. The decay of religious feeling makes the construction—even the maintenance—of artistic temple buildings more and more difficult. In important new structures, unfortunately, the tendency is to adopt some of the ugliest forms of Western architecture. It is to be welcomed that the buildings of the China Medical Board, for instance, as well as collegiate structures in other parts of China, are being planned by architects whose effort is to maintain the essential features of Chinese architecture, adapting it to modern uses.

Throughout the field of Chinese art the greatest danger lies not only in the loss of ability to do, but of the capacity to understand. Art expertship is dying out, the knowledge of what constitutes the true nature of higher excellencies and qualities is growing rare. The effect of Chinese art and its significance are dependent upon an intimate symbolism which pervades all its manifestations, and which deepens the enjoyment derived from artistic objects. There is not only the more specific symbolism of shape and form, such as the attributing of certain emblems to characters often portrayed, but the broader symbolism of space and color. The Chinese builders have been past-masters in the art of observing the relations between their structures among themselves and with the natural surroundings. The most remarkable example of this is seen in the disposition of the mausolea in the great imperial tomb enclosures. Every one of the Ming tombs has for its guardian and monument a mountain peak. A great many elements enter into Chinese symbolism:—Hoary traditions of form exemplified by the bronzes of the Shan and Chow dynasties, emblems and designs associated with Taoism and Buddhism, allusions to historic events, especially of the time of the six kingdoms and the dynasties immediately before and after. The symbolism of a pure nature worship lies at the base of it all. Extremely few Chinese are able to give accurate information on these symbolic expressions with all their delicate overtones. In order to get a safe and adequate basis for the critical classification of the collection in the Peking Museum it would be necessary to gather together a great many experts in order that the judgment of one might be corrected by others. In judging any Chinese work of art, the estimate of any one man will scarcely ever contain the whole truth. There are so many angles from which even a monochrome vase may be regarded that the authoritative artistic judgment will be the result of many individual opinions. This of itself indicates the complexity and richness of Chinese art.

We need only look at Chinese painting from the Sungs down to the eighteenth century to realize that an art expression has here been created which has not only been great in the past but may lead to still more wonderful achievements in the future. The essential structure of landscape has been analyzed by the Sung painters and their followers in a manner not equalled in the West, and approached only by such recent artists as Van Gogh and Cazin. The cubist form of analyzing landscapes was anticipated by the Sung painters in one of their incidental methods; similiarly the most advanced technique of impressionism is found in many ancient Chinese pictures. Chinese portraiture has received but little attention; nevertheless in simplicity of outline and clearness of characterization Chinese portraits recall the best work of Holbein, and other early European painters. Upon the traditions of Chinese painting there may undoubtedly be built, without departing from its essential spirit, a great and expressive modern art.

Organized methods of cherishing and developing the traditional art of China, are at hand in the National Museum, a depository of criteria of judgment, to which there should be added a school of art and of classic studies, for the conservation and development of the great tradition. The preservation and protection of monuments as national property, the prevention of the export of mutilated parts, would also greatly help, and would easily enlist the support of the entire people. A survey of the artistic and monumental treasures of China is urgently needed; for this the work of scientific expeditions such as those of M. Chavannes, M. Pelliot, Sir Aurel Stein, and others, should be continued, and carried out in the spirit of maintaining the unity of Chinese art. It is a wonderful field of discovery and study that is here beckoning.

Tsingtao

WHEN the Kaiser in the year 1897 looked over the map of China for an appropriate spot to lay hold of in the name of Imperial Germany as retribution for the murder by Chinese of two German missionaries, he selected not only a strategic commercial port, but a site which lent itself to the building up of what is undoubtedly the most beautiful city in the whole of China. It is said that Germans who had been pioneers in the development of Tsingtao wept like children when they took their departure shortly after the Japanese occupation—and well they might as here on the shores of a beautiful bay had been built up a bit of modern Germany, in all that this term implies, including the militarism. "We have lost a part of our home, a small part it is true, but nevertheless a part" were the opening words of a sermon preached in the German church at Shanghai on the first Sunday after news of the fall of Tsingtao had reached here. The sentiment expressed was without doubt a true reflex of the feelings of the German residents of the Far East.

When the Germans took over the site of Tsingtao the surrounding country presented the usual bleak and barren appearance characteristic of mountainous regions in China—treeless and colorless. What a contrast with what the Japanese took over from the Germans! The hillsides in all directions for miles and miles had been converted into a magnificent panorama of verdure. German thoroughness and patience have never been better exemplified than in this afforestation work. Millions upon millions of trees were planted by hand, so that in a few years the entire countryside presented a scene of beauty and grandeur not unlike many to be found in the Nippon Isles. The illusion of wild grandeur was heightened by the stocking in abundance of deer, pheasant, and hare. Roads were hewn out of the hills, in some directions for twenty miles. While no doubt mostly planned for military purposes they were as a matter of fact mostly used, so far as the foreign community was concerned, for automobile joyrides, although the sweating Chinese coolies with their wheelbarrows, certainly made good use of them. In the valleys the Germans had planted raspberries, loganberries, and berries of all sorts; orchards were also laid out on grand proportions, and fruits of all kinds were propagated according to the latest scientific methods. Not the least interesting objects that the Japanese army and populace found when they wrested the place from the Teutons were avenues lined with cherry-trees, and it may be taken for granted that the Japanese, who have now taken possession of the town not only militarily but as a city of residence, celebrate the annual cherry blossom festival with a sly wink as they meditate upon the fact that the Germans were so thoughtful as to provide them with the trees to make the festival all the more realistic.

But the Germans in laying out Tsingtao had their eye not only on the beautiful but on the practical. The ideally located bay was developed along the most modern lines of marine engineering. At no other port in China was it possible to load cargo direct from cars to steamers or *vice versa*. The Germans had run spurs of their Shantung railway, encircling both sides of the magnificent basin, adjoining which the godowns were located so that cargo coming out of the hold of the ship if destined for the interior ports could be dropped from the ship's tackle right on to the car, while that for the city itself was placed directly into the warehouses alongside. The basin had been dredged and lined with heavy masonry so that large ocean going steamers were able to come in under their own steam and discharge their cargo without any lightering.

The management of the city's affairs cannot be described as other than ideal. Land speculation, such as has resulted in large fortunes being reaped in many of the treaty ports of China through no individual effort, was made impossible at Tsingtao by a fairly close approximation to Henry George's single tax theories. The waterworks and sanitary sewerage systems were installed on the most up-to-date lines, and private and public buildings were almost without exception fitted not only with modern steam heating apparatus but with sanitary bathrooms and lavatories of the most approved type.

And yet with all the efforts that had been expended and despite all the money that had been doled out of the German Imperial Exchequer—which, of course, in the ultimate analysis came out of the pockets of German working people—the trade at Tsingtao did not prove to be of very great benefit to the people in Germany, but merely a benefit to the comparatively few German business houses established there. It is a remarkable fact, when one comes to think of it, that the greater part of the two principal products exported—namely strawbraid and peanuts, in which the

enterprising Germans had built up a business which was growing by the millions yearly—did not go to Germany at all. The greater part of the strawbraid went to England, principally to Luton, a suburb of London, that city being the world center of the straw-hat making industry, and the greater part of the peanuts went to France, where oils expressed from them were to a large extent made use of in the preparation of French *trefle*, although, of course, a considerable trade in this line was also done with Germany. But the point we wish to make is that while the ostensible object of a German port was to develop German trade, the fact is that the trade with other countries was greater than with Germany, and this truth is further enforced by the fact that even as regards imports, Japan supplied much more even in pre-war days than did Germany. In fact, if one subtracts from the imports from Germany articles supplied for Government purposes, which as a matter of patriotism had to come from there, the import from Germany to Tsingtao, was comparatively small.

Another interesting point is that the greater part of this German business was financed through British banks, simply because they gave better facilities to the Germans than the German banks generally did. It has been frequently charged that the Germans had been preparing for the present world-wide war, and that their people were all ready for it. If that is so the Germans in Tsingtao at least, were not let into the secret. The merchants there were caught quite unexpectedly, as the Japanese military authorities soon learned when they seized the books and correspondence of the principal business houses after the capture of the city with a view to ascertaining whether they could find anything incriminating in them to serve as an excuse for the Japanese Government confiscating their property on the ground that it had been used for military purposes. So unexpectedly had the war come to the Tsingtao merchants that one of the letters found by the Japanese was one from one of the principal firms to their lawyers, asking information as to the law applicable to the giving of notice of termination of employment to their employees in such circumstances. As regards the seriousness of the struggle, the Germans in Tsingtao at the beginning certainly had no idea, as among the telegrams found in one of the German business offices was one for a plea that such and such an employee then called for military duty and actually serving might be released from service on the ground that his duties were urgently required in the conduct of the firm's business!

In due course some German philosopher will doubtless work out the principles of justice surrounding a system which drags several thousands of mere boys from their homes and sends them half way around the world to protect the properties of several scores of their more affluent fellow countrymen—in this particular instance many of them being sent to their death. There is a grim thought interwoven with this state of affairs, however, that the great majority of the business men in Tsingtao who were being helped by a paternal government to build up a remunerative business are themselves prisoners of war, and most of these will go back to their old homes financially ruined.

Whatever else may be said against Japanese administration at Tsingtao there is yet to be heard a single complaint which when sifted down has not shown that the Japanese action was buttressed with firm and logical precedents. The Japanese had previously had experience in taking over another Far Eastern city by Imperial fiat; a decade previously they had taken over the Russian-built city of Dalny. The Japanese method of procedure was very simple indeed; they simply translated into their own tongue all the German regulations and put them firmly into effect. As regards the treatment of German civilians at Tsingtao, the Japanese procedure was that no one should be allowed to leave the leased territory without a permit. Only in a few instances were residents either forcibly detained or forcibly put out. Among those who were ordered away was the Pastor of the German Church, and he had only himself to blame. It was one of the inexorable Japanese military rules that no German of either sex should enter Tsingtao from the outside. Privately, the German Pastor had been given to understand by several of his Japanese "friends" that there would be no objection if his wife came there, she then being in Shanghai. Hardly had she arrived, however, then both herself and "hubby" were bundled out of the town, travelling in the same way as those who had applied and received permission to leave. Rich and poor, great and low, all received the same accommodations as "guests" of the Japanese Government. Money could not buy a ticket on a steamer leaving the port nor a ticket on the railway which the Japanese had taken from the Germans. All were treated exactly alike, that is, they were given cars without any seats, they were allowed a fair amount of baggage, and seated on this they were "personally conducted" by the Japanese military authorities as far as Tsinanfu, from which point they were free to move as they liked.

Men in civil life at Tsingtao who had performed even a day's guard duty were naturally treated as part of the military arm, and as such were sent prisoners of war to Japan. One of the principal German merchants in pre-war days was the agent of a certain Japanese steamer line and as such when he travelled was always given the best cabin on the ship. It so happened that his trip to Japan as a war prisoner was made on his favorite steamer—with accommodations on deck and no other bedding than a blanket.

An illustration of the quiet effectiveness of Japanese methods at Tsingtao is to be found in the following incident. One of the German residents at Tsingtao did not observe the formality of applying for a permit before taking his leave; he simply walked out, as it was quite easy to do, very few guards being maintained on the frontier. The Tsingtao authorities learned that this German during his travels across Shantung had stopped overnight at the home of two German missionaries. The Japanese raised no particular outcry at the German's disappearance; they merely mentally noted the fact that he had been entertained by these German missionaries. Some months later these missionaires, quite unconscious that they were walking into danger, took passage on the Shantung railway; they were promptly "nabbed" by Japanese soldiers, and the last the writer heard of them they were destined for Japan.

And now the Japanese are firmly in possession of this former German city—the apple of the Kaiser's eye. The Diederich Stein—which in sonorous German carved into solid rock commemorates the fact that the German Empire had gained a new colony—still exists,

but over the original German inscription there is stencilled in Japanese the date and the circumstance of the Japanese occupation of the spot. The Kaiser Wilhelm Strasse and the other Strasses have been converted into "machis" and "doris"; where the Diederichsen brick plant formerly sent its enormous chimney heavenward, stands a Japanese market; the massive floating dock and the travelling crane, both of which the Germans thought they had destroyed, have been laboriously fished up out of the deep, repaired, and been towed to Japan; the Tsingtao brewery is at present merely a branch of a larger Japanese concern; and the Japanese flag floats over the Custom House—at least on Japanese festival days. Whether or not Japan formally turns over Tsingtao to China, Tsingtao itself will absolutely remain a Japanese town in the same way as Dalny has remained a Japanese town ever since it was taken over from the Russians. We have heard people say during the past decade that they would rather have the Russians back in Dalny than the Japanese. We wonder whether during the next decade anyone will express the opinion that he would rather have the Germans back in Tsingtao?

G. W. M.

Week's News Summary

THE WAR

January 2. Peace negotiations between Germany and Russia are temporarily broken off; the Maximalist leader, Trotsky, in a fiery speech describes the Peace proposals of Germany as hypocritical.

January 3. Local fighting occurs on the Cambrai front, the British advancing their lines slightly southward to Lens.—Russian newspapers report the refusal of a German suggestion that future peace negotiations should take place at Stockholm; *pourparlers* were resumed at Brest Litovsk. Germany's peace terms include claims providing for mutual most-favored nation treatment with regard to trade and navigation for twenty years.

January 5. Lloyd George, before the delegates of the Trade Unions in London, makes an important statement on the Allies war aims, which he says are to secure the sanctity of treaties, just settlement of territorial disputes, limitation of armaments, and satisfaction for Belgium, France, Italy, Serbia, and Roumania.——A mutiny occurs in the German army near Kovno; deserters state that the outbreak was due to an order drafting Germans under 35 years for the Western front in contravention of the armistice between Russia and Germany.——The Turkish terms of peace include the restoration of the frontiers of Turkey as they existed before the war, the withdrawal of the Russian troops from those frontiers except for guards, which were not to exceed a Division for every 150 kilometers, the demobilization of the Russian forces, the demobilization of the Russian Black Sea Fleet, the withdrawal of the Russian troops from Persia, and the annulment of the treaties defining spheres of influence in Persia. Meanwhile Turkey will remain armed to the teeth in order to resist the Allies.

January 7. Germany's internal politics are in upheaval as a result of the peace *pourparlers* with Russia; the Socialist deputies will probably request the German Government to return to the original proposals of no annexations and no indemnities as nobody in Russia will accept the present terms.——Italy calls 600,000 recruits to the colors; British patrols force the Piave at several points.

January 8. President Wilson, in a message to Congress at Washington, formulates America's peace terms, (which are summarized in an editorial paragraph in this issue of the REVIEW).——Sir Douglas Haig in a 26,000-word despatch, reviewing the operations during 1917, states that Russia's collapse made the plans of the Allies for 1917 impossible.——The German press scorns Lloyd George's peace terms, concerning which they comment that he talks as a victor.

January 9. Another session of the German and Russian peace delegates is held at Brest Litovsk.——The British hospital ship Rewa is torpedoed and sunk in the British Channel by an enemy submarine; the status of the vessel was clearly marked and the sinking took place outside the barred zone.——The British Admiralty's report shows 18 vessels over and 3 under 1600 tons sunk during the week.——U. S. Secretary of War Baker in his weekly review states that there are increasing signs that the Germans will attempt a big offensive on the Western front in the near future.

CHINA

December 31. The "Peace" Mandate receives a poor welcome in nearly all quarters; the situation in China generally is more puzzling than ever.

January 4. Gunboats and destroyers bombard the city of Canton for several hours during the night. The outbreak was due to a difference between the Pacifying Commissioner, Li Fuk-lum, and General Mok, the Military Governor.

January 5. The plague epidemic reaches Fengchen, the terminus of the Peking-Suiyuan railway; three Belgian missionaries are reported to have died of plague near Saratsi.

January 6. The Chinese Minister of Finance and a representative of the Yokohama Specie Bank sign an agreement at Peking for the advance of Yen 10,000,000 of the currency loan for the term of one year at 7% interest, secured on the surplus of the Salt Revenue; the profits are to be used to enhance the value of Government bank notes.

January 8. President Feng Kuo-chang is reported to have told his friends that unless the South-west shows good faith in the negotiations for peace, he will comply with the request of the Northern Tuchuns, and legalise the existence of the National Council as the permanent legislature through the action of the present Cabinet.——Preparations are being made by the troops under the Tuchuns of Shantung and Kiangsu for a clash at Pukow, (on the Yangtze opposite Nanking).——A fire at Chingkiang renders 61 Chinese families homeless.

January 9. All passenger and goods traffic is suspended between Peking and Fengchen, a person infected with plague having been discovered travelling on the

railway from Tatungfu to Fengchen. There are a number of cases of plague in the villages within a few miles of Fengchen while a number of suspected cases have appeared in the latter place. Dr. Wu Lien-teh has appealed to Peking for more doctors and also for troops to prevent infected persons further spreading the disease.

JAPAN

January 2. Details are received in Tokio of a particularly heavy snowstorm in the northern part of Japan; wholesale damage is caused to telephone and telegraph wires; two persons were killed by a landslide at Kuse Village, Gifu Prefecture.

GENERAL

December 31. Exports to America for 1917 are estimated at over six billion gold dollars, the highest on record; the imports are under half of that sum.

January 2. The retirement of Sir Cecil Spring Rice, British Ambassador at Washington, is officially confirmed.

January 4. A Bolsheviki battalion arrives at Irkutsk in Siberia, and further conflicts with the White Guards are feared.

January 7. Lord Reading (Sir Rufus Isaacs) is appointed British High Commissioner to the United States; he retains his office as Lord Chief Justice.

January 8. John D. Rockefeller gives G. $5,500,000 (making his total contributions to date G. $130,000,000) to the Rockefeller Foundation to meet the increasing expenditure of war work.

America

General Castleman, a famous Kentucky Confederate, has solved the dispute as to whether white soldiers should salute negro officers, saying it is only right to salute the country's uniform.

Work on the Episcopal Cathedral of St. John the Divine, the largest on the continent, in New York City, under way for twenty years, has been discontinued for the duration of the war as a patriotic move.

To relieve labor shortage on sugar plantations, Mayor Behrman of New Orleans recently ordered all idlers arrested and put to work, and released from prison those guilty of minor offenses willing to work in the sugar belt.

Two New York City Baptist ministers—the Rev. Frank M. Goodchild of Central Baptist Church and the Rev. Charles A. Eaton of Madison Avenue Baptist Church—Sunday, December 9, devoted their sermons to replying to the recent plea of John D. Rockefeller, Jr., that baptism by immersion no longer should be a requisite of church membership.

Decisions defining in general terms the rights of both organized labor and the employer were rendered at Washington D. C., December 10, by the Supreme Court. While the right of workmen to organize for lawful purposes was reaffirmed, the court held that employers may legally operate their plants as "open shops," and prevent conspiracies to bring their non union employees into labor organizations.

The Sulgrave Institution is the name of an organization composed of Americans and Britons, recently incorporated at New York, to promote friendly relations between the United States and Great Britain. The formation of the Institution is a development of the celebration in 1914 of the century of peace between the English speaking people, which resulted in the purchase by the British Committee in charge of the celebration of the Sulgrave Manor House, Northamptonshire, England, (George Washington's ancestral home), and its presentation as a gift to the United States. Dr. Louis Livingston Seaman has offered the Institution as a gift fifteen acres of historic land at Throg's Neck in Westchester County. The site is occupied by the house which was formerly the headquarters of Sir George Howe during the Revolution.

GOING!

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Men and Events

The Customs Tariff Revision Committee has rented the premises at 81 Bubbling Well Road, Shanghai, which are to serve as the scene of their deliberations.

A new magistrate has been appointed to the Shanghai Mixed Court in the person of Tsang Chan-vung, who thus makes the fifth magistrate attached to the Court.

Fire destroyed the Simla (India) store of Whiteaway, Laidlaw and Co., Ltd., December 12. The amount of damage sustained is estimated at 300,-000 or 400,000 rupees.

An advertisement in the daily newspapers states that the interest of W. E. Talbot in the firm of W. Funder & Co., auctioneers, Shanghai, ceased January 10; no statement is made as to who the present responsible head of the firm is.

First Lieutenant K. Sakai, a Hawaiian-born Japanese, who received his commission at the first reserve officers' training camp at Honolulu recently, is believed to be the only Japanese officer in the United States Army.

Lance Sergeant Fred Barnett of the Canadian Infantry is missing, according to word received by his brother, E. H. Barnett, Marshall of the British Supreme Court, Shanghai. Mr. Barnett has two other brothers serving at the front.

A large audience attended the production of the Italian opera "La Tosca" at the Olympic Theatre last Tuesday evening, the leading role being taken by Mrs. Isenman, and that of Cavaradossi and Baron Scarpia by M. Speelman and V. Meyer respectively.

Telegrams were sent January 10 to President Feng, Premier Wang, the Director of the Customs Revenue Bureau and the Inspector-General of the Customs by General Pak Li-wu, president of the Associated Bureau for the Prohibition of Opium, protesting against the recent importation of four chests of opium from Canton.

Ivan Chen has been appointed Commissioner of Foreign Affairs at Shanghai by Presidential mandate. Mr. Chen, who is 48 years old and a native of Hunan, is a graduate of Lincoln's Inn, England. During the Manchu regime, he served as secretary of the Chinese Legation in London for more than ten years. In May 1911, he was Commercial Commissioner to Shanghai.

Rumors that an enemy wireless plant had been erected at Tientsin resulted in an investigation which showed that an American soldier had imported a small apparatus from Manila with the permission of his commanding officer. However, as private installations are illegal in China, the apparatus was dismantled by order of the Police.

The Masonic Hall at Shanghai was damaged to the extent of Taels 10,000 by a fire which occurred on the afternoon of January 9. A large shipment of new regalia only received by one of the Lodges several-days previously was among the articles saved from the store room. A number of old charters were also rescued, but a considerable proportion of the documents stored in the building suffered considerably from water damage.

Among the numerous business representatives in Shanghai at present is W. T. Longwell of the firm of John D. Williams & Co., 2 Rector Street, N. Y., who are the foreign sale agents for the well-known Maxwell motorcars, for which the Eastern Garage are agents in Shanghai. Mr. Longwell has but recently returned from a northern tour including Vladivostock, Harbin, and Tientsin, and expects to proceed southward as far as Burmah.

The apathy of the Shanghai public to local politics is well illustrated by the fact that no new nominations were sent in for candidates for the Municipal Council; the only names sent in were the present nine members of that body, who are thus automatically confirmed in power for another year without any election. Dr. R. S. Ivy being the only nominee for Land Commissioner is also declared elected; he succeeds Mr. Brooke-Smith, who is leaving shortly for England.

The Royal Asiatic Society held a special meeting at the Palace Hotel on Thursday, January 10, at 5.30 p.m. A lecture was given by Professor A.H. Sayce on "Jerusalem." The chair was taken by Sir Everard Fraser. A regular meeting of the Society will be held in the Lecture Hall, 5 Museum Road, on Thursday, January 17 at 5:30 p.m. Charles Kliene will give a lecture on "Chinese Puzzledom." The public is cordially invited to attend these meetings.

Viscount Kato, President of the Kenseikai, Japan's second largest political party, (which is in opposition to the Terauchi Administration), who has been twice Minister of Foreign Affairs and formerly Ambassador to Great Britain, in a New Year's interview given to the leading commercial daily paper published in Tokio gave it as his opinion that if Japan remained indifferent in her attitude towards the war she might find herself isolated politically and economically after the war is over.

Richard Barry, in the course of an article in the *N. Y. Times Magazine*, says: One woman who ordinarily buys a suit every Fall for about $150, this year made her last year's suit do, on the score of war economy, and then bought a knitting bag elaborately embroidered by hand for $175. Out of this in the course of the Winter, she will be able to produce, through patriotic and industrious devotion, probably three pairs of socks worth 50 cents apiece, and a boy's sweater that might be purchased better made for $5.75.

An American editor says of the newspaper *L'Homme Enchaine* (The Man in Chains) edited by Georges Clemenceau, recently appointed Premier of France, that it is owned by a poor man and is printed on coarse paper; it looks as if it might have been run off on a Washington hand press in a Kansas town before the war, yet its influence should be instructive to the hypocritical or awed press of America as Clemenceau has succeeded by exercising fearlessly his duty as a journalist for what he thought the good of his country.

The Acting Captain-Superintendent of Police at Shanghai calls attention to a band of about a dozen foreign youths of various nationalities who infest the Hongkew district. "These young vagabonds are entirely out of family control," he reports, "and are lost to all sense of decency and shame. They sleep in Chinese lodging houses and brothels and live by thieving and receiving stolen goods. Unfortunately, the only method of dealing with such cases, namely scientific reformatory treatment, is not available in Shanghai."

Judge Charles S. Lobinger, of the United States Court for China, will address the American Song Service at the Palace Hotel, Sunday afternoon January 13, at 4:30

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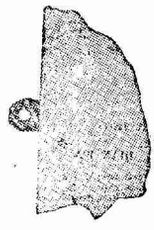

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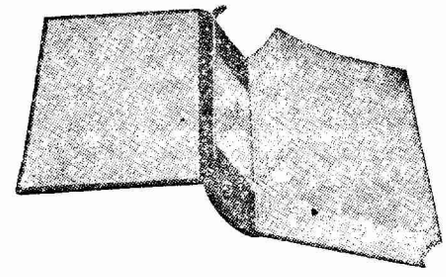

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MILLARD'S REVIEW

113 Avenue Edward VII, Shanghai.

o'clock, on the subject of "Jerusalem Delivered." Judge Lobinger will comment on the significance of this event from the standpoint of world's politics, giving a resume of the conditions which have brought about the taking of Jerusalem and also discussing the subject with reference to the future. Mr. Frances Gill of the American School will sing. The following Sunday Mr. Julean Arnold, American Commercial Attache, will address the Song Service.

One of the cases which is to be tried shortly in the Supreme Court at Kuala Lumpur (Straits Settlements) is that of a Chinese quack doctor charged with culpable homicide, not amounting to murder, and voluntarily causing grievous hurt. The accused, who posed as a magician as well as a doctor, is alleged to have caused the death of a man by nailing his hands and feet to some boards and driving another nail through the unfortunate man's spine. The accused was treating deceased for "hantu" and after nailing this one man down to the boards he proceeded to treat a second man (who had been looking on all the time) in the same way, but this man could not stand the pain and escaped. The trial of the accused has been delayed by his having, while in prison awaiting trial, applied some preparation to his face and eyes which caused acute inflammation.

One of the worst shipping disasters that has ever occurred in Shanghai waters took place in the early hours of January 5 outside Woosung, when the China Merchants steamer Poochi was sunk in a collision at the mouth of the Yangtsze river, after having been rammed by the steamer, Hsinfung, of the same line, under Capt. Hamblin. The only foreign member of the crew of the Poochi to escape death was Chief Engineer Scott. The death roll, the greater part of whom were Chinese passengers on the Poochi, amounts to about one hundred, many of the frozen corpses being brought up to Shanghai by the Hsinfung, which arrived at dusk the same evening. The collision occurred at 3.05 a.m. in the South Channel, about two miles outside the South-east Knoll buoy. The Poochi left Shanghai at midnight bound for Wenchow and Ningpo with 110 passengers and about 70 in crew and staff. The Hsinfung was inward bound from Foochow. Many of the passengers were asleep at the time the ships struck.

Sherlock Holmes has gone in for spiritualism and has rejected hell as a coarse invention which may have been of use ages ago in frightening men to good behavior but which now is dropped from the thoughts of reasonable men. Sir A. Conan Doyle has confessed his faith in spirit life and has written for the current issue of the *Metropolitan Magazine* his conception of the new life which the released spirits of men take on after a brief and restful sleep. The author of the world's most popular detective stories has been studying spiritualistic phenomena for thirty years and he embodies in "The New Revelation" the interesting conclusions as to the hereafter that he has formed. Dr. Doyle describes hades as a discredited institution, and maintains that punishment does not consist of gross bodily pain, but in the fact that the grossest souls are kept in lower spheres with a knowledge that their own deeds have placed them there, but also with the hope that expiation and the help of those above them will educate them and bring them to a level with the others.

The Future of the Chinese Eastern Railway

From the Peking Correspondent to the North-China Daily News (Shanghai)

As regards General Horvath, it is obvious that he is in a difficult position. He is responsible to the Ministry of Communications in Petrograd, and that Ministry is necessarily associated with the Maximalist Government. The Ministry, however, is now in the hands of the "Vikjel," a word composed of the initial letters of the Union of Railway Workmen, and the Vikjel is by no means Bolshevik. It has indeed declared neutrality. But while it mantains a degree of independence it cannot ignore the Maximalist Government. The Government in fact leaves the Vikjel alone for fear that the railway administration of the country will collapse, while the Vikjel does not quarrel with the Government for fear of being put out of business altogether. Nor is there any knowing whether the Government and the Vikjel may not become identical in policy. General Horvath therefore has been between two stools.

The Russian plenipotentiary in China has repudiated the Maximalist Government, and probably General Horvath by temperament and affiliations would prefer to do likewise. But a step of that kind on his part might lead to his dismissal. His dismissal would result possibly in the appointment of a Bolshevik, and then the fat would be in the fire, for, if the railway administration went to a Bolshevik, the Chinese would assuredly step in and take complete control. As a good Russian it is plainly the business of General Horvath to maintain the status quo, and in order to do that he has to do a certain amount of hunting with the hounds while running with the hare.

But the possible consequences of such a step are immense. An Allied occupation of the Siberian Railway, necessarily carried out principally by Japan, might have a disastrous effect in Russia, and turn her into an active enemy. There are nearly 2,000,000 German and Austrian prisoners, trained soldiers, in Russia, many of them in Siberia. With German aid it would be possible to reconstitute from them an enormous army, and it is plain that if Japan intervened in the Allied interest she would have to mobilize the whole of her resources in order to intervene effectively. That is a course Japan cannot undertake lightly.

Altogether the Far Eastern situation is about as difficult as could be, and there is nothing to be done at present but to hope for developments in Russia more favorable to the Allies.

Paying the Boxer Indemnity

The *Sinwanpao* reports:—As the payment of the indemnity of the Boxer Affairs has been arranged to be postponed for three years, the sum hitherto paid to Foreign banks concerned in Shanghai from the revenue of the Maritime Customs at Shanghai for the payment of that indemnity has been decided by the Central Government to be kept by the superintendent of the Maritime Customs at Shanghai, Feng Kuo-hsun, and the Manager of the Bank of China in Shanghai, Sung Han-chiang. The sum due the other day, over Taels 500,000, has been placed under their control and deposited at the Bank of China and the figures and the date of payment have been duly reported to the Waichiaopu and the Department of Finance.

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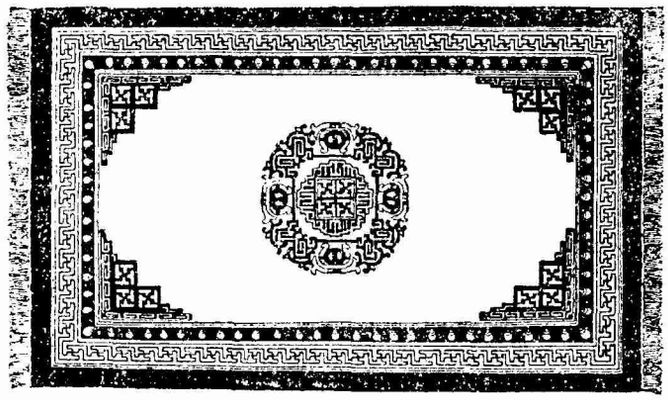

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Women's Work

American Woman's Club

There was a large attendance at the meeting of the American Woman's Club of Shanghai on Tuesday, January 8, at the Carlton Cafe. The program consisted of "An afternoon with Shakespeare" by Mr. E. P. Graham Barrow of the Cathedral School, who is an excellent elocutionist, and delivered an instructive interpretation of the great poet's works and told of the influences which moved him.

The speaker told of how Shakespeare came at a time when the literary world was crowded with great men, such as Spencer, Sidney and others, whose fame extended over a period of 50 years. "Shakespeare came at a time when a New Heaven and a New Earth were discovered," said Mr. Barrow, "Columbus had discovered America, Galileo had perfected the telescope, bringing a new conception and a new vista of the universe. Both events had fired men's imaginations and the age called forth a Shakespeare." Continuing he gave a brief biography of him, saying that Shakespeare was poor, but had a wonderful imagination, a talent for observation, catholic sympathies, keen insight into human nature; in fact he was an instrument of nature and was supreme in his power to convey life accurately. Mr. Barrow then traced the drama from the Miracle play which came to England from France, "St. Nicholas" being the first play; the Mystery play where each character said a few words; the Morality play, of which "Creation" and "Everyman" are the best known; and finally the Interlude, where the actual characters appeared. In defining these the speaker recited extracts as illustrations. He told of Marlowe as being a forerunner of Shakespeare and having tremendous influence on his writings. In dealing with the sonnets the lecturer pointed out that of the 154 written, 142 were addressed to a man and the remaining 12 to a dark woman. The last half of the program was devoted to "Macbeth" from which quotations were given to bring out the meaning. Mrs. W. H. Lacey presided over the meeting and Mrs. Roberts had charge of the program.

Previous to the program Judge Lobinger presented the Club with a gift from Mrs W. Hadley of Los Angeles. A letter from Mrs. Lobinger, who is now in Omaha, was read by Mrs. Webb, in which Mrs. Lobinger sent in her resignation as President of the Club. The Club voted unanimously not to accept the resignation. Mrs. Lacey read a resolution of sympathy and regret drafted by the Executive Board following the recent death of Mr. C. C. Garton, who entertained the Club a few weeks ago with a lecture on Chinese music. A letter was also read from Mr. Stockton of the American School thanking the Club for its donation of $100 to buy pictures for the school's new social rooms.

Among those present at the Club were Mr. Julean Arnold, American Commercial Attache, and Judge Charles Lobinger, of the United States Court for China.

Nanking Ladies to "Hooverize"

About 200 Americans of Nanking met in the new building of the Language School of the University of Nanking to discuss how the American housewives of Nanking could "Hooverize." They are reducing the living expenses in two ways, buying staples through a co-operative organization, and serving Chinese foods where formerly they used foods imported from America. It was stated that the members of the Association had saved in a total order by the co-operative buying on $5,000 Mex., more than $1,200. The membership fee in the co-operative society is $5 and all business is conducted on a cash basis. Two large orders are sent to America each year for goods but a store is about to be opened where butter, milk, flour, and sugar can be secured. A committee of the Nanking branch of the American Red Cross, under the direction of Mrs. John H. Heisner, a graduate dietician and domestic scientist of Cornell University, introduced the use of Chinese foods as an effort towards conservation of food. Practically all of the American women in the community have sent in receipts for native foods cooked in an appetizing fashion.

On January 3, this committee exhibited about eighty dishes grouped under the heads of cereals, nut dishes, meats and vegetables, jams and jellies, Chinese dishes little known by foreigners, desserts and Chinese prepared foods. There was also an exhibition of the comparative food values of various foods used in China. It was shown that one sweet potato, native to China, has the food value of two Irish potatoes. Professor Alexander Li of the University of Nanking gave a lecture on Chinese tea, giving demonstrations showing how tea should be brewed to bring out its best qualities. At present the Nanking ladies have about 100 receipts for the use of Chinese foods on foreign tables.

American War Relief

The American War Relief Association of Shanghai announces that the Wool Committee will give out wool for knitting on Tuesday, Thursday and Saturday, from 10 until 12 o'clock at the Work rooms 18B Kiangse Road. It is requested that names of those who would like to volunteer for special work should be sent to Mrs. P. L. Bryant, No. 5 Jinkee Road. Neighborhood Working Circles are to be formed for War Relief Work in the different communities, at St. John's University, Baptist College, and Hongkew. Women who have made contributions to the Association are requested to send in their names to Mrs. P. L. Bryant, corresponding secretary, at No. 5 Jinkee Road, in order that they may appear in the records.

Women and Events

A meeting of the Courtesies Committee of the American Woman's Club of Shanghai was held on Friday January 11, at the home of Mrs. F. R. Sites, 69 Route Vallon. The next meeting of the Musical Department will be held on Friday January 18, in Mrs. Hallam's apartments at the Astor House.

The Philanthropic Department has announced several meetings: Miss Baily, of the American School, will visit the Commercial Press, North Szechuen Road at 9.45 a.m. on Saturday. Miss Boss will make her second trip to the Chinese Public Playground and the Girls' Physical Training School on Wednesday, leaving Chekiang Road at 3 p.m. Mrs. Culp will conduct a party through San Sing Cotton Mill on Wednesday, January 16, at 11 a.m.

The Shanghai Missionary Society held its fourth meeting in the Union Church Hall last Tuesday. Miss Ella MacNeil gave an address on the Y.W.C.A. work throughout the world. The Rev. A. F. Grossbeck from South China led the devotional exercises. The Y. M. C. A. served refreshments.

The Woman's Exchange announces that the raffle of Mr. Rosenfeld's doll netted the American War Relief fund $103. The doll was won by ticket 45, held by Mrs. A. G. Morton.

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AGENTS

The United States Must Not Sacrifice China to Please Japan

From the Baltimore American

The Department of Communications of the Japanese government in Tokio has announced that negotiations with the United States over the shipping and steel questions have been terminated without reaching any conclusions. If such be really the case this is a distinct disappointment. It is somewhat of a rude shock, following so closely upon the Lansing-Ishii agreement, which was believed to have settled all outstanding questions between the two countries.

Further recent developments indicate that the agreement with Japan about China has introduced new elements of concern for American interests in the Far East. China, whose interests were affected by the treaty, was not consulted, and that country has protested against what she fears to be an invasion of her rights, if not her sovereignty. As a matter of course, the United States should not be a body to an injury to the sovereignty of a friendly power.

China declared war upon Germany and joined the Allies in cordial support of the action of the United States. China did not fear Germany nor distrust her so much as she feared and distrusted Japan, but felt confident in the friendly disposition of America. As an Ally she relied on the continued help and friendship of this country. And China deserved our consideration, and it is to be believed received such in due measure. As a weaker nation, if the President's message to Congress of last April be recalled, she deserved our sympathy and we were bound to protect her interests and are still bound to do so.

A moral situation has developed in the view of China from the disclosure of the fact that it was not consulted; and the conviction of that country that the United States, in establishing Japanese political paramountcy in China, has sacrificed her. Which is attributable in part to the widespread German propaganda, but also to honest opinion and is unfortunate.

There was reported a riot of Chinese students in Tokio following the publication in the press of Viscount Ishii's reference to a Monroe Doctrine in Asia, which he made at a banquet in New York in October last. As the mere mention of this was apparently distasteful to the Chinese, it is probable that the reference was received with stronger sentiments. Such, indeed, seems to be the case, and it would appear that the Chinese are both resentful and indignant unless they have received satisfactory private assurances from Washington, as is doubtless the case.

It would be of consequence for America to forfeit the good will of the Chinese of all classes. The effect on American commerce with China and on the development of that country's resources by Americans, and on those activities which depend more or less on securing concessions, or on the friendly interest of the government officials will be damaging, unless it is made clear that this country is in no sense a partner to Japanese designs upon China.

The Japanese government has always strongly supported its business interests abroad, while our government has not had that reputation, and herein lies the point of benefit in the new agreement. The protection which Japan would afford American capital in China, invested in partnership enterprises with her nationals, may attract American business men to a field not otherwise inviting, and the dual development of China's resources must be with China's consent.

To secure such co-operation is one of the announced objects of the visit to America of the Japanese financial committee, headed by Baron Megata. The Japanese surely are striking while the iron is hot, but it would be highly reprehensible if our business men resorted to such an expedient solely because the government of the United States has no fixed and encouraging policy in this important matter.

If the Lansing-Ishii agreement should result in presenting China for the equal and legitimate commercial activities of all nations, it would undoubtedly have a stabilizing effect on China and go far towards securing the peace of the Far East. But, and here is the fly in the ointment, can we exect better observance of the open-door policy from Japan, as a result of the last agreement, than followed upon the promises and pledges of that country, solemnly made on two previous occasions to the United States—the first in 1899, at the time that the Hay Doctrine was promulgated, and in 1908, when the Root-Takahira agreement was signed?

Any untoward effects of the agreement with Japan could, however, be partially offset if our business men, backed by our government, shall exhibit in China the same independence, courage and spirit of adventure they have displayed in other countries, and if the United States government shall prove to China by some signal service that she is mistaken if she thinks that we have betrayed her to Japan. By doing the first we shall be enabled to consider international partnerships solely on their merits, and by helping China in such manner as she may ask of us we shall do much to regain her friendship and our lost prestige. This country must not recognize Japan's claims of economic paramountcy in China and an American mission to China might well be considered.

Far Eastern Press Opinion

Baron Megata in Bad Company in America

From The Japan Chronicle (Kobe)

Baron Megata continues to keep somewhat questionable company in the United States—questionable, that is if, he wishes to stand well with Americans in the Far East. The latest information regarding his tour is that Mr. Melville Elijah Stone spoke at a banquet given by Baron Megata in acknowledgment of the great courtesy he had received during his American visit. Mr. Melville Elijah Stone, like Mr. Lindsay Russell of the Japan Society of New York, has been the subject of strong criticism and protest by resident Americans. After paying a brief visit to Japan and getting decorated, Mr. Stone, who is or was the Manager of the Associated Press, wrote an article in the *National Geographic Magazine* which was full of the most gross misstatements concerning the foreign community of Japan. The American Peace Society and the American Association took the matter up, but despite the evidence they adduced showing that the statements Mr. Stone

had made were devoid of truth, he declined to withdraw them. Even when the late Mr. McIvor, formerly Consul-General of the United States at Yokohama, wrote to the *National Geographic Magazine* a statement showing that the allegations of Mr. Stone had no foundation, his article was refused publication, no American journalist apparently daring to run counter to the powerful Manager of the Associated Press. It is from the Associated Press that the Japanese newspapers have been informed through the Kokusai of the number of dinners that Baron Megata has eaten, and of the effect this has had upon the relations between Japan and the United States. We can only say that it is to be regretted that Baron Megata and the other Japanese envoys who proceed to the United States should show themselves so indifferent to the views of the resident Americans in Japan and the Far East, and should associate with gentlemen who have aroused the gravest distrust and been shown to be so extremely reckless in their assertions. Foreigners resident in this country may be unable to be heard when the Associated Press megaphone is in full blast, but their influence is none the less considerable, and it is persistent, whereas that of the Melville Stones and Lindsay Russells is more or less evanescent.

China's Art and Monuments

From the Peking Daily News

The gathering at the British Legation January 4, to hear Mr. Reinsch's lecture on the Conservation of China's Traditional Monuments and Art was one of the most encouraging signs of the Peking times we have noted recently. It is not long ago, only a few days ago in fact, that we were deploring the present low ebb to which interest in things intellectual, especially in the sphere of things Chinese, had fallen in Peking. One has always a tendency to think that the whole world has bowed the knee to Baal, and it comes as a surprise to find that there are, hidden away in obscure places perhaps, hundreds who have remained faithful. The immediately practical note on which Mr. Reinsch ended is one that needs to be taken to heart by all Chinese, both official and unofficial. Scattered over China there are art treasures of priceless worth being allowed to run to ruin, to suffer at the hands of collectors and other vandals, to disappear in some cases past recovery. It should be the pride of the individual and one of the foremost duties of public authorities, to do everything in their power to preserve these treasures, and to preserve them as far as possible in their best condition. It costs comparatively little to prevent disrepair and final loss, and in many cases what is allowed to suffer from neglect is irreplaceable. A little energy devoted to the work of preservation will bring in a vast return of pleasure and profit both for this and for future generations. The work of such a body as the China Monuments Society should not be allowed to fall into a state of suspended animation, and if the meeting of January 4 has as one of its results the resuscitation of that or a like society, active and alert, it will have more than justified itself.

China's Man-Power

From the Central China Post (Hankow)

As to the fighting quality of the Chinese soldier, we believe that given equal training, arms and leadership, he would be found a fair match for any other soldier in the field. In his own country he has never had a fair deal. His training is defective—for one thing he has never been taught to shoot because that would involve a waste of ammunition. His arms are a miscellaneous assortment, and likely enough when required for use, the cartridges served out will be found not to fit. But it is in his leaders he chiefly suffers. In the recent scrapping in Hunan the Northern men were sent into the field with their hands tied, because a compromising President, in order to please one party, sent them forward, and in order not to offend the other party, arranged that they should not fight. That sort of thing would demoralise the finest troops in the world.

The Weihaiwei regiment of eighteen years ago was a splendid body of men, whose officers would have taken them anywhere, and similar officers could in a little time raise the Chinese regiments to the same standard. By all means let China's man-power be taken advantage of. If the money which is now saved through no longer having to suppport Russia with guns, ammunition and cash, were diverted to China, it might turn out a better investment for the Allies, and further prove a great blessing to this country. At the end of the war the Central Government would be in possession of an efficient army of its own to be used in restoring order by putting down all the prancing independent chiefs who promise to keep up the turmoil till the cows come home.

Notes from Peking

Orin D. Walker, who accompanied Jay Morton and John J. Abbott, the Chicago bankers, on their visit to Peking last spring, will return to Peking in February as manager of the International Banking Corporation in the Capital. Mr. and Mrs. Walker and their children have been in Shanghai for some time, where Mr. Walker is making a preliminary study of Far Eastern banking and currency questions.

C.R. Bennett, formerly a resident of Shanghai, has taken up his duties as accountant in the Peking branch of the International Banking Corporation.

E. T. Gregory, formerly manager of the local branch of the International Banking Corporation, is reported to have completed the course in military training at Plattsburg, New York, and to have received a commission as captain in the American Army.

H. H. Jobson, cotton expert in the Ministry of Agriculture and Commerce in Peking, expects to return permanently to the United States about the first of February. Mr. Jobson's contract with the Chinese Government has expired and he will return to his former position in Texas, which has been kept open for him during the years which he has spent in China.

Hsiung Hsi-ling, Director-General of the Chihli Flood Relief and Conservancy Bureau, will shortly start on a tour of inspection of the sources of the rivers in the province. He will probably be accompanied on his trip by Mr. Sherfesee and other forestry experts, with a view to adapting afforestation to conservancy.

The Ministry of Foreign Affairs has accepted the resignation of Dr. Tsur from the Presidency of Tsing Hua college, tendered on the score of ill-health. Among the candidates for the position is Fan Yuen-lien, former Minister of Education, who speaks no English.

In the Field of Business and Finance

Iron Ores of China

DEVELOPMENT of Chinese iron ores has been a question under discussion in Peking recently, many proposals being made in view of the establishment of furnaces. Every nation which has achieved any stage of economic development has had iron and steel, hence if China is to realize her industrial ambitions these materials must be placed in an independent position; but so far quite an amount of talk has been made without any results. The coal resources of China as estimated by Von Richtofen, the German geologist, in comparison with that of a Japanese scientist, made some time before the war, give a fairly accurate estimate of this mineral, but as to the Chinese iron ore resources much question has been raised. It has been questioned whether China has the reserves of iron ore similar to that of the United States or Brazil. Perhaps the belief that China possesses large quantities of iron ore may have been due to the many small primitive furnaces scattered around the country; nevertheless, new deposits are being constantly brought to light as in the case of that at Teekong, near Wuhu, which is estimated to contain over a million tons of exceedingly rich ore.

Considering that she has such materials, it cannot be immediately inferred that she is destined to become a large steel manufacturing nation, since not every nation which possesses iron ore can make steel economically. Fuel, labour and other items come into the making of steel quite as much as iron does. For instance Brazil has one of the largest iron resources of the world but she has not been able to erect any large iron works due to the largely unskilled population, poor transportation facilities, and the lack of fuel. China spends approximately $36,000,000 annually towards the importation of steel and there is no reason why she does not engage in the production of steel while possessing, as she does, all the requirements for the output thereof for all her own uses, and export what remains in excess. Utilizing the labour of the nation for that purpose, for China is abundantly supplied with cheap labour, would give her a large income, for the largest amount of profits lie in the manufacture of steel and not in the cheap ore and pig iron.

Thus considered it is by no means too soon for China to reserve her ores for national use, for a number of mines are already in foreign hands.

In spite of all efforts to establish industries on a purely Chinese basis, it is recognized that China has not the money and efficiency to bring about such a complex industry. Further, it is said that the greater part of China abounds in coal, but the coal found is not suitable for the making of steel since the material is mostly anthracite which is not suitable for the making of coke. Again, the resources of the kind of a quality available for the use in steel foundries is found so far apart as to cause difficulties in bringing them together economically.

The iron ores of China have been reserved by ministerial order from grant except by special sanction and early in the year another bill was framed by the Minister of Agriculture and Commerce within which is found the proposed development of the country's mineral wealth. A translation of it follows:

1. The Minister of Agriculture and Commerce is hereby authorized to grant special permission for prospecting and developing iron mines in China in accordance with the following regulations.

2. Permission shall only be granted to citizens of China or corporations formed under the commercial laws of China. Non-citizens of the Chinese Republic shall not be allowed to be stockholders and all stock certificates shall have the name of the stockholders on them.

3. Management may be either purely commercial, semi-official, or on a co-operative plan between the Government and individuals.

4. The right to prospect and develop iron mines shall not be mortgaged for any purpose.

5. All members or employees of the iron mining corporation, with the exception of the technical experts, shall be limited to citizens of the Chinese Republic. All contracts for the engagement of foreign technical experts shall have the approval of the Minister of Agriculture and Commerce.

6. All agreements for the sale of iron ore to foreign countries and all other agreements must have the approval of the Minister of Agriculture and Commerce and no agreement for selling iron ore shall be made until the ore is actually produced.

7. The Government shall have an option on the iron ore produced by the mines.

8. Apart from the regular taxes on iron mines as provided in the mining laws, an additional tax of 1/5th per cent shall be levied according to regulation of Section 1 of Article 71 of the Mining Laws.

9. All iron mines which have been prospected and developed before the promulgation of this law must be submitted to the Minister of Agriculture and Commerce for approval within a prescribed period. The length of the period and manner of approval shall be promulgated by presidential mandate.

10. Contracts with foreign technical experts existent before the promulgation of this agreement and all agreements for the sale of iron ore to foreign countries and all other agreements must be approved by the Minister of Agriculture and Commerce within three months.

11. Any breach or violation of this on the part of the mining corporation shall be considered sufficient reason for cancelling the special permission or franchise.

12. Apart from these provisions, all mining laws existing now shall stand, except the provision as to options.

13. The Minister of Agriculture and Commerce shall be authorized to promulgate a set of detailed regulations.

14. The present regulations shall be effective from the date of promulgation.

The bill provides for the "granting of special permission for prospecting and developing iron mines" which runs counter to the policy which has been rapidly gaining support in the nation which looks toward the nationalization of the iron resources of the country. Therefore, if the above proposed bill is to pass the Chinese Parliament in the future, whenever that body may meet again, it would be upset, for according to it the Minister of Agriculture and Commerce will be authorized to grant licenses for the opening of mines to various bodies.

The scope of those allowed to engage in the trade is plain, but glancing through the text it strikes one that the limits of the Government power are very vaguely defined. It is indefinite and lacks minuteness, causing one undertaking such an enterprise to be wholly at sea as to the conditions under which he is to operate.

In view of the desire of the Chinese to develop the rich but latent resources of the country it is evident China needs the men, technical knowledge, and money if she is to guide the sound progress of the much needed steel and iron industry.—*From "Shipping and Engineering."*

Great Increase of Customs Revenue at Manchurian Ports

The revenue of the Maritime Customs for 1917 shows an increase of Haikwan taels 400,000. The total collection is reported at Tls. 38,177,000, which, at the average exchange of 4/3 13/16ths, is equivalent to £8,241,357, as compared with Tls. 37,764,000, at an average exchange of 3/3 13/16ths, equivalent to £6,264,496 in 1916.

The following, in round numbers, are the collections at the principal ports: Harbin Tls. 1,235,000 —an increase of Tls. 299,000: Antung Tls. 1,099,000—an increase of Tls. 357,000: Dairen Tls. 3,088,000—an increase of Tls. 1,056,000: Tientsin and Chinwangtao Tls. 4,556,000—a decrease of Tls. 133,000: Kiaochow Tls. 1,864,000—an increase of Tls. 165,000: Hankow Tls. 3,767,000—a decrease of Tls. 243,000: Shanghai Tls. 11,214,000 —a decrease of Tls. 109,000: Swatow Tls. 961,000 —a decrease of Tls. 163,600: Canton Tls. 2,332,000—an increase of Tls. 109,000.

The collections at Antung and Dairen constitute records for those ports. All the foreign obligations secured on the Customs have been fully met up to December 31, 1917.

The revenue of the Native Customs under the control of the Inspector-General amounted to Tls. 3,775,000.

Rolph Mills & Co. Monthly Market Letter

San Francisco, Cal., December 1, 1917.

Plates: The market for plates is very uncertain as the mills are not naming any prices for export, on account of the government demands. However, for domestic use they are selling from $4.05 to $4.80 f.o.b. by San Francisco, depending on delivery.

Billets: The same situation as on plates for export applies on billets. The domestic price is about $62.50 f.o.b. San Francisco.

Steel Bars: The government price is $3.65 f.o.b. San Francisco on steel bars but sales for export are being made around $4.25 San Francisco. The big demand for bars has very materially delayed deliveries.

Structurals: It is almost impossible to secure export licenses on structural shapes and we do not believe there have been any issued during the past few weeks. The market is somewhat uncertain and prices are from 5¼¢ to 5½¢ f.o.b. San Francisco. During the past week, a few firms offered structurals at 5¢ base, San Francisco, but on account of the Eastern demand the former quotation holds.

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American Woman's Exchange

Corner Avenue Edward VII and Rue Montauban. Open 9 a.m. to 4:30 p.m. daily.

A modern store has been opened by the American Woman's War Relief Work Association in the Benjamin Building at the corner of Avenue Edward VII and Szechuen Roads. The store is modern in fittings with show windows, etc. and will be managed in a thoroughly efficient manner. It will be managed by Mrs. K. L. Brode, and it is the intention of the committee in charge of the Exchange to pay the actual cost of materials used in preparation for work to be sold at the store. All profits derived from the sale of materials at the store will be used here in Shanghai in the purchase of materials for the

American War Relief Work

now being conducted in Shanghai, by the American War Relief Work Association, in the Fearon, Daniel Building on Szechuen Road. The entire proceeds derived from the sale of materials at the Woman's Exchange will be handed over to the American Woman's War Relief Association.

WHAT YOU CAN BUY

Articles that may be purchased at the Exchange consist of jellies, preserves, pickles, fancy work of all kinds, baskets and ornamental work of all kinds. Orders for cakes and candies and such materials should be placed 24 to 48 hours in advance in order to insure freshness and obviate waste. It is hoped that ladies planning tea parties will order from the exchange materials their cooks are unable to prepare.

WHAT YOU CAN DO

The success of the Woman's Exchange, depends primarily upon the American women living in China although donations from women of other nationality are thankfully received. If you can do fancy work of any kind, or have articles of this kind for which you have no use, place them on sale at the Exchange. In case you desire to make fancy work to place on sale at the Exchange, the Committee will pay the cost of the raw materials used.

The use of the store room in the Benjamin Building has been donated to the Association; the Municipal Council has donated the electric light service; the Gas Company has donated heaters; the Telephone Company has donated the use of a telephone. It is now the problem of American women in Shanghai and the outports of China to assist in this enterprise upon which the success of American War Relief Work so largely depends.

Black & Galvanized Sheets: The market during the past two or three weeks has strengthened considerably and practically all the mills are insisting upon quoting for home consumption only and are passing up export inquiries refusing to quote. Where sales are made for export the mills insist upon the buyer advising them in writing the destination and on such sales they are getting approximately $20.00 a ton over the domestic prices. The price on black sheets is $6.45 base, San Francisco, and $8.20 on galvanized. The mills will not guarantee deliveries, however.

Brass & Copper Tubing: Deliveries have eased up a little principally on account of some of the larger buyers holding up their orders until they find out what prices the government will make the first of the year. It is practically impossible to do any export business as the mills cannot give any better deliveries than four or five months and the government export licenses cover only a period of sixty days. However, we would appreciate receiving your inquiries with specifications and we will see what can be done.

Tin Plate: It is highly probable that the government will require almost the entire output of tin plate and this is the reason no export licenses have been granted. No quotations are obtainable at the present time as the market is very uncertain, and prices have been withdrawn, awaiting the result of the government price-fixing. Many thousand boxes are being held up at Pacific Coast ports awaiting licenses which to date are not forthcoming.

Wire Rope: All mills are well sold up, especially on plow steel. Prices have been withdrawn by some mills and they are quoting only on specific inquiries. The best deliveries obtainable are from six to nine months after receipt of order for plow and crucible cast. No export licenses are obtainable on wire rope on account of the government demands, which have about exhausted the supply of plow steel rope.

General Steel Market Conditions: The situation generally is one of unrest and very unsatisfactory conditions. The Interstate Commerce Commission has authorized the railroads to advance their freight rates and no doubt these new rates will become effective the first of January. At the present writing we do not know exactly, but it is thought the advance will be from 15% to 30% on Iron and Steel commodities. Meanwhile a "waiting game" is being played by all. The mills hoping for new and higher government prices after January 1 and the buyers as far as export is concerned, too beset by regulations and restrictions, priority certificates etc. to take any chances.

German Trade Aims in China

On the occasion of the twentieth anniversary of the hoisting of the German flag in Tsingtao, the *Frankfurter Zeitung* printed an article by its former correspondent in the Far East, to review the past and present aims of Germany in China.

The writer begins with sturdy denunciation of the "uninvited" German invasion of a sphere which is "the home of the Chinese spirit"—an invasion which ultimately "only gave the Japanese an easy object of plunder within their immediate reach." He says that Bismarck was quite right in thinking that Germany would find that she had "sat upon nettles." And he proceeds:—At the peace negotiations we shall be able to guard Germany's honor and interests in the Far East. But in future our East Asiatic policy must no longer be subordinated to a Tsingtao policy. We are pursuing in the Far East no aims of *Machtpolitik*; as a matter of fact we have never done so, but we shall have to make things clear, so that our efforts cannot again be misunderstood. In future there must not be anything so contradictory as a German military base for the economic penetration of China. But, while we shall turn back from a political road that was badly chosen, it will not be a capitulation before an enemy whose economic resources the Entente is to-day still employing in the fight against Germany. Japan will have to settle matters with Germany at the conference table as regards Tsingtao, and will have to give us satisfaction."

After a passage in which it is indicated that Japan has plenty of difficulties in China of which Germany may hope to take advantage, the writer enlarges upon German economic aims. He says:—"After this war, as before, we shall claim 'our place in the sun' in China. What Germany must insist upon is that the broad and promising economic sphere in China shall stand open to her as to all others. China is the land of the future for the industry and trade of the world, and Germany will not allow her road to be blocked—the road to peaceful activity in this field. After the war a competition will begin as to who is to build China's railways, who is to exploit her mines, who is to regulate her rivers, and who is to build her factories—a competition in which only the efficiency of the competitors can be allowed to decide."

It is argued that during the war everything possible must be done to allay Japanese apprehensions, and it is added:—"The very advantage of our economic prospects in the Far East consists in the fact that our requirements in China need not produce any political conflict with other Powers. But we must not therefore suppose that we shall find an easy field of work. The competitive struggle will be extremely severe. We shall have to do, not any longer with individual firms as competitors, but with great combinations like the American International Corporation. Consequently the preliminary work of our trade and industry must consist in syndication. It is high time for the German Government to interest itself in this task, if it really desires us to win in future—in a more appropriate fashion than by the military occupation of Tsingtao—our 'place in the sun' in China."

Labor Unrest In Japan

Since the war began the cost of living has increased enormously in Japan without anything like a corresponding increase of wages, with a consequent increasing degree of disaffection in the labor world. Strikes for higher wages and better treatment have been a marked feature of industry during the last two years. The strike at the big Mitsu Bishi Dockyard at Nagasaki was one of the most serious disturbances in the history of Japanese labor, over 10,000 men being affected. Recently there was a riot at another dockyard when the buildings were wrecked by some 5,000 angry workmen. When it is remembered that in some

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sections of the Japanese Empire, such as Osaka, prices have gone up as much as 60 or 70 per cent while wages have not advanced above 6 per cent, the pinch felt by labor can readily be imagined. Thus while the wealth of the capitalist has been increasing at an unprecedented rate the lot of the laborer has seen no improvement. To make matters worse the attitude of capital toward labor is unsympathetic, leaving the latter no relief save from revolt. Japanese industry has not yet begun to realize that the personnel of production is as important as the product, the latter depending on the former. If industry is to make the progress expected more careful attention will have to be given to the material interests of labor. This is all the more necessary in a country like Japan where labor unions are prohibited and disaffection is left without redress.

One of the difficulties of Japanese labor, retarding the progress of proper organization, is that the majority of the laborers are women. Out of the more than 800,000 factory workers in Japan more than two-thirds are women, who are easily under the control of their bosses. In any case their careers are constantly changing by marriage, illness or other change, some factories changing the entire staff in less than three years. When skilled labor is more in demand and men can be induced to attain efficiency for life service no doubt the condition of labor will much improve. The reason why strikes are more to be seen in dockyards than elsewhere is because there the forces of labor consist of men. Since the ban on steel and gold exports in America Japanese industry will be further affected and doubtless strikes will form an increasing feature of industry in the country.—*From The Japan Magazine.*

The Finances of China

The advance in the price of silver, and the consequent rise in exchange, have revolutionized the financial position of the Government of China. The dollar today is practically worth double its average value before the war. Thus China, in meeting her heavy foreign obligations, has to provide only half the number of dollars that were previously needed. Meantime, the Salt Revenue is greater than it has ever been, while the Maritime Customs Revenue, in spite of the restriction upon trade consequent upon the war, maintains itself in a manner that is remarkable. The position is well illustrated by the circumstance that, whereas the Customs revenue used to be insufficient by some £1,000,000 annually to meet the Boxer Indemnity and other payments secured on it, it is now carrying all these liabilities, together with the whole of the interest on the Reorganization Loan (£25,000,000), and that up to the end of July there was, in addition, a surplus of about £2,000,000 available to the Government.

The declaration of war upon the Central Powers further improves the position of the Government, for the German and Austrian share of the Boxer Indemnity is cancelled altogether, while the payment of interest on all German loans is suspended for the duration of the war. The Allies, in recognition of China having entered the war, have offered to postpone for five years the payments on account of the Boxer Indemnity (Russia sacrificing a proportional share), besides agreeing to a revision of the Customs tariff with the object of making it an effective Five per Cent. Taking all these things into consideration, the Chinese Government ought hereafter to be the better off until the end of the war as compared with pre-war times, by something like $50,000,000, or, £10,000,000 annually.

Before the great rise in silver China was able to pay practically only those liabilities secured on the Customs, or the Salt, or on Railways, all more or less under foreign control. Arrangements were continually being made to carry over payments that could not be met, and the crop of short-term debts and Treasury Bills has attained a formidable figure. Common prudence now demands the earliest possible liquidation of such outstandings, and the foreign Powers concerned would be lacking in their duty to China if they failed to point out that the first use of the fruits of the valuable concessions they are making should be to clear up all overdue liabilities.—*Peking Correspondent to The Times, London.*

Half of America's Silk Mills Situated in Five Cities

Silk manufacturing has increased in the United States from 624 establishments in 1909 to 902 in 1914, according to the report of the Bureau of Census. The value of all products from this industry was in 1914 $254,011,257. Pennsylvania leads in this industry, which is confined to 19 states. The total value of silk manufactures of Pennsylvania in 1914 was more than one-third of the total for U. S. Rhode Island, although not an important state in the total value of silk products, shows the largest percentage of increase, which was 484.6. The industry centers in 5 cities. Paterson N. J., New York, Allentown Pa, Philadelphia, and Scranton Pa. More than half of the silk mills of the United States are located in those cities, the combined production of which in 1914 was valued at $83,882,625, or one-third of the total amount reported for the whole industry.

There are 992 establishments in the United States engaged in the manufacture of brass, bronze, and copper products, which is a decline in number from the census of 1909, which showed 1021 establishments. The total value of the products from these establishments in 1914 was $162,199,019; $69,353,103 worth of which was produced by the 67 establishments of Connecticut, which is the leading state in this production. To be compared with the production of Connecticut's 67 factories is that of New York's 228 establishments which in 1914 produced but little over one-third the amount, or products worth $23,964,582. Wire was the most important single product in terms of its money valuation, which was $60,069,738, of which copper wire was valued at $52,940,079.

Coordinating America's Railway Service

If, five years ago, one had suggested that a shipment of freight consigned to the New York Central Railroad at Chicago be routed over the tracks of the Pennsylvania, because the Central's tracks were crowded, and hauled by a Baltimore & Ohio locomotive because the Pennsylvania's locomotives were all busy, and loaded in Missouri Pacific freight cars because they were the only ones available—if one had even suggested such a thing, he would have been regarded as a very poor jokesmith.

Looking at the matter from another angle—if, five years ago, the executives of all the Eastern railroads had met in a room with the door locked and voted to pool all their facilities in order that they might haul more freight and do more business and avoid all competition, orders of the Interstate Commerce Commission, injunctions of courts, and commands of State Public Service Commissions, would have been served upon those executives before they could have executed their first preliminary plan.

And yet the war has made such operation of the roads a reality in 1917. Not only is it not a joke, but it will be consummated without interference from the Government. The pooling of the Eastern railroads is a fundamentally revolutionary step. If all the 60,000 miles of track of the Eastern roads, all their 28,000 locomotives, all their 1,2000,000 cars were owned by one company, receiving in revenue some $1,600,000,000 a year, each shipment would be routed over the

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most efficient route and transported by facilities that would get it where it was going in the best time and condition. That is just what is planned under the pooled operation of the Eastern railroads, directed by the Committee of Operating Vice Presidents which has opened headquarters in Pittsburgh.—*New York Times Magazine.*

Four Tons of Opium Seized by the Shanghai Customs

Readers of the *North China Daily News* (Shanghai) may have noticed an advertisement that has been appearing for the last day or so inviting tenders for the purchase of 2,400 cases of chlorinol, a bleaching soda or water softener, arranged in convenient packages, in convenient cases, samples of which may be obtained on application at the Custom House, Shanghai.

Thereby hangs a tale, which tale now lies in the Customs godown and takes the form, not of water softener, but of no less than four tons of Persian and Patna opium. Water softener and opium combined to form a part of the cargo of the Mishima Maru which arrived recently in Shanghai, in whose hold the fraud was very cleverly detected by the Customs officials.

The opium had been consigned from England. How it got through the war shipping regulations at such a time as this, especially as it was packed in tin-lined cases, which again are contrary to war regulations, is a mystery that has not yet been solved. The Customs authorities have telegraphed to England for searching inquiries to be made with a view to proceedings being taken.

The consignee in Shanghai, who applied for the permit to pass the goods through the Customs, has been interrogated and repudiates all knowledge of the opium. The cases containing water softener are packed distinct from those containing opium, the smugglers having apparently taken their chance of detection. The water softener cases are mixed up indiscriminately—at least apparently so—amongst the opium, but no doubt there was some key by which the numbers of the different cases could be identified by the recipient.

This is the largest amount of opium ever seized in Shanghai and the value cannot fall far short of $1,000,000. In due course, no doubt, it will be destroyed in the Customs' incinerator or dumped into the sea. Meanwhile it would be interesting to know how the fraud was perpetrated and by what means the opium managed to make a tour of the world in these days of scarce shipping and stringent war regulations.

A Japanese "Shanghai Exchange"

Among the new business enterprises being established at Osaka, Japan, is an exchange which will devote itself exclusively to Shanghai business, specializing in securities, raw cotton, and cotton yarn. The chief promoter of the Shanghai exchange is Mr. Shima, the headquarters to be in Osaka, with business offices in Shanghai. It is said that under informal instructions from the Japanese Government the proposed exchange will not for the time being undertake exchange and trust business.

Japanese Trying to Secure Control of the Bureau of Printing at Peking

According to native reports the Japanese are using all their influence to secure control of the Bureau of Printing and Engraving. The procedure being adopted is similar to those which the Japanese have adopted when they have desired to secure control of other Chinese concerns. That is to say the Chinese are being told that they need money and that the Japanese will make a loan, the Bureau to be given as security, etc., etc. Why the Chinese wish to part with this important department is beyond comprehension. It, at present, is doing very useful work for the Government and should under all circumstances remain in the hands of the Chinese. Should this bureau fall into the hands of any outside nation many of the things which the Government wishes to remain known only to itself will become known to outsiders. No foreign company should be allowed to secure control of this important department; it should remain in Chinese hands, and the Government would be committing a great error of judgement if they allow its control to get out of their hands. The reason that the Japanese wish to secure control of it is because they see that by doing so it will give them another claim to have a controlling voice in the scheme for the reform of the currency. The Chinese are anxious that this important reform should be in the hands of an international group rather than in the hands of any one single country. But in this as in other matters they are helpless though they

are hoping that the Powers interested will demand a participation in the work of reorganizing and reforming the country's currency system. There will undoubtedly be considerable opposition to the Japanese taking over the Bureau of Printing and Engraving, but it will have to be very strong if it hopes successfully to oppose the efforts of the Japanese to secure it—*Peking Correspondent to the Peking & Tientsin Times.*

American Senator Would Have War Solve Land Problem

Senator Harding of Ohio in the course of an article in *The Annalist*, says:—"We (Americans) should right now be considering the details of putting those who desire rural homes upon them according to a plan that should be known to be economically sound. It cannot be done hit or miss without entailing much loss and suffering. Yet we do not need to look outside our own country for successful examples of colonization, though it is true that commercial colonization in the United States has usually been a failure. The Mormons, however, built successfully, and Senator Smoot is one authority for stating that there is no reason for believing that the detailed plans I am attempting to crystallize into a reality should not succeed. The point is immediately raised that the Mormons had the religious element in their colony building. Is there any reason why other religious organizations should not train leaders for this rural work? It is very evident that religion is the greatest cohesive power for such a group. A man who, for a quarter of a century, was a land agent for the Southern Pacific Railroad, told me that he was not particularly religious but that, from observing the Mormon colonies, he believed a religious element was most favorable to the success of colonization enterprises. Another alarming condition we face in this country is farm tenantry due to the absence of adequate opportunity to the tenant to buy land. The cost of living is so high today that many of our own people are actually going hungry. Because there is not complete famine it is not proved that famine is not among us. Many of our working people for the last two years have been insufficiently fed, and the situation is becoming daily more serious. It is not due necessarily to lack of opportunity to earn, or to rate of wage, but rather to impractical plans of living. People are congregating more and more in the cities all the time, because farm life is often unattractive, but not because it need be. The right sort of colony organization will make it so attractive that the tendency will be in the other direction.

"'The Forward-to-the-Land League maintained a registration bureau in New York for those who would like to go on the land. The registrants were almost without limit. Seventy-five per cent of them had farm experience either in the United States or abroad. The great majority had savings running from $200 to $2,000. Five or six hundred dollars the average, enough for a good start under the right guidance. But these men realized that they had not the means of starting as independent farmers and making a success. Also, as independent farmers, they could not get the social and educational advantages that they wanted for their children. They wanted community organization, and that supervision which would spell success. They can get it in most nations, but not in the United States.'"

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Commercial and Financial Notes

Two jack rabbit packing plants are in course of construction in Kansas and will soon be in operation. Jack rabbit packing is an entirely new industry, and the opening was caused entirely by the shortage of beef, mutton, and pork, and the need of conserving these meat products and still providing American working men with meats.

The old racetrack at Gloucester, N. J., is being transformed into a shipyard. The New Jersey Shipbuilding Company, a subsidiary of the Pennsylvania Shipbuilding Company, whose yards adjoin, has the property. Work of fitting the racetrack acres for shipbuilding purposes is so well advanced that within two months it is hoped the keels of three or four ships will have been laid.

Samuel Montagu's weekly Silver Report issued in London, January 3, states that the market is firm but quiet. The New York market continues very firm although there have been no fresh announcements regarding governmental action. The negotiations are necessarily difficult, for the United States Government, although it can fix the price of silver, can hardly compel the mines to work low-grade ores unless the higher cost of working is to be considered. On the other hand the Mexican output is improving and its return to anything like the output six years ago, namely 75,000,000 ounces, would so increase the world's supplies that the fixing of an unnecessarily high purchase price by the Allies ought to be guarded against.

The Share Market.

RUBBERS Official only	Closing Quotations, Week End. Jan. 4	Last Quotation, Fri. Jan. 11	Business Done in Shares During Week High	Low	Net Chg.
Alma	9.00	9.25	9.25	9.25	—
Anglo-Java	9.00	8.90	8.90	8.90	—
Bute Anams	1.00	1.00	1.00	1.00	—
Bute	1.15	1.00	1.00	1.00	—
Chemor Umited	1.25	1.12½	1.12½	1.10	+02½
Consolidated	2.35	2.50	2.50	2.50	—
Padang	12.25	12.00	12.00	12.00	—
Repah	0.90	0.95	0.95	0.95	—
Semambu	1.10	1.10	1.10	1.10	—
Shanghai-Kelantan	0.70	0.70	0.70	0.70	—
Banks, Industrials, Ins. Cottons, Lands, Etc.					
Weeks	14.00	13.50	13.50	13.50	—
International Cotton (ord)	85.50	90.00	90.00	90.00	—
Shanghai Dock	72.50	70.00	70.00	70.00	—
Shanghai Land	70.00	69.00	69.00	69.00	—
Exchange					
Bar Silver	43¾				
T. T. on London	4/4½				
Sov. Bnk. Buy. Rt.	4.57	4.53	4.53	4.52	
Gold $ Bnk. Buy. Rt.	93.68	91.95	92.81	91.95	
Mexican	72.0				
Native Int.	12				
London Rubber Quotations					
Spot	2/5¾	2/5½			
Forward	2/7¼	2/6¾			
Tendency	Very Dull	Steady			

Date	Langkat Oil Output	Tons.
For Week ended	Jan. 6	444

Closing of Transfer Books & Dividends.

Share	Period	Dividend
Kung Yik Cotton	Jan. 4 to Jan. 15	Tls. 2.00

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At the Shanghai Hotels

The following guests have registered at the Astor House Hotel during the week: R. R. Rosburgh; H. V. Foy, Yokohama; J. A. Flanagan, Yokohama; Miss Foy, Yokohama; Miss Poweett, Yokohama; J. Arnold, Peking; A. McTaggart, Tientsin; P. P. Wright, Kiukiang; B. P. Carmack, Hongkong; J. E. Tytler, Peking; R. J. Arcker, Toledo; F. A. Fong, Tientsin; E. Cook, Tientsin; G. E. Cormack, Harbin; Mr. and Mrs. R. A. Rodgers, Bombay; J. Bersley, Hongkong; J. M. Pavitt, New York; J. W. Parsons, U. S. A; Mr. and Mrs. H. Catlin; G. V. Monk, U. S. A.; F. W. Doggett; J. W. Bodden, U. S. A.; Mr. and Mrs. John Mitchell; Mr. and Mrs. J. W. Carr; Capt. L. G. Gunn; R. Leon, New York; W. G. Longwell, New York; A. de Almeida Brandoo, Vancouver; M. R. Nicholson, New York; F. Achenback, New York; Mr. and Mrs. W. J. Grey; Capt. L. A. C. Paxton; Capt. Fitz Hugh; Mr. and Mrs. R. Roger, Japan; W. R. Marshall, Japan; R. A. Crews, Pengpu; P. F. Brown, Pengpu; Capt. C. M. Mainers, Hongkong; Lt. A. Blanc.

The following guests have registered at the Palce Hotel during the week: J. S. Shearer, Chinkiang; General Michard; L. Truptel; A. Bruyant; Lieut. and Mrs. H. K. Fenn; Miss White; Mrs. S. Hall; S. C. Miskin, Hankow; F. G. Britton; C. Chernosvitsff, Hankow; J. Yaodynsky, Tsingtao; R. L. Murray, Hongkong; N. Mitarevsky, Hankow; Mr. and Mrs. J. Fairhurst; Mr. and Mrs. G. O. Carlton, Hongkong; M. Mattel, New York; S. Blechman, New York; E. P. Cox, Boston; G. Caryen; France; A. Haid and family; L. G. Mellis, France; M. J. McAneny, Mr. and Mrs. Kasoff; Mr. and Mrs. J. W. Reish; Mr. and Mrs. Pontiloff; P. A. Macarlnly, Hankow; C. A. Cheshire; Miss R. Steelman; Mrs. de Van; W.S. Russell, Nanking; E. Hammond, C. Hamilton, Tientsin.

The following guests have registered at the Grand Hotel Kalee during the week: H. Thomson; Th. Loverdean; Miss L. Wagner; Mr. and Mrs. Chas. H. Core; Mrs. A. Cunningham and 2 children, San Francisco; J. M. Hockmuth, St. Louis; S. L. Prentes, Vancouver; W. C. Reifel, Vancouver; Miss Gertrude Winters; Mr. and Mrs. Chas. Margelis, New York; J. Bankoff, New York; P. Shefts, Boston; C. W. Hayden, New York; D. Edwards; Quelch; F. Achen Bach, New York; M. R. Nicholson, San Francisco; E. C. Kopp, Ningpo.

New Books and Publications

A Valuable Handbook on Scientific Management

The Theory and Practice of Scientific Management, by C. Bertrand Thompson. New York: Houghton Mifflin Co. U. S. $1.75 net.

THE author of this excellent work will be known to the readers of the REVIEW as the contributor of an article entitled "Applying Modern Efficiency Methods in China" in the issue of December 22, and also as having several weeks previously delivered at the American Men's Tiffin an address on the subject of efficiency, which was listened to with rapt attention by the assembled business men for upwards of an hour. Mr. Thompson is an ardent disciple of Frederick Winslow Taylor, who may be described as the father of scientific management; and scientific management may be described as the extension to industrial organization of the "positive" movements in current thought. As Mr. Thompson says in the opening chapter of his work, the substitution of a basis of scientific law and principles for guesswork or tradition reminds one strongly of Auguste Comte's theory of progress from the "theological" through the "metaphysical" to the "positive" or scientific stage of thought. It is interesting to observe that "scientific management" is "positive management" in other senses as well, which flow from its essentially scientific aim and method. Its administration is marked

by the *positiveness of its control.* So far as possible nothing is left to accident or to individual judgment. The time, place, and sequence of all operations, as well as the details of all processes, are determined and enforced by the management. The result of the application of the science of industrial conservation and the principles of industrial organization is to develop the inherent resources and capabilities of an organization far beyond the average or normal degree of efficiency. This distinguishes scientific management from the current types of "efficiency systems," which are usually based on a variety of cost-keeping built on the methods of accountants rather than of statisticians and supplemented by superficial observations and incoordinated improvements. Their aim is to "stop leaks," "eliminate wastes," "avoid delays"; in other words, to remove a mathematical negative and bring an organization to a normal standard. The aim of scientific or positive management is to carry an organization beyond this normal standard and to bring it to the utmost degree of efficiency of which it is capable; in other words, to accomplish a *mathematically positive* result.

One of the difficulties that the reviewer of a book like this is confronted with is that, sitting out here in China where the principle of "maskee" is the guiding thought in the management of the average business and enterprise, one is so far removed from the influence of the spirit of scientific management as it is applied in the Western world, that any attempt at criticism, even of the constructive kind, is not to the thought of, and one can do no better than assure the business man or manufacturer established in China who feels that he is not getting the best results that he can do no better than give Mr. Thompson's book most careful study. Mr. Thompson has lectured on Manufacturing at Harvard University and has had varied business experience; to him scientific management is little short of a religion, which he preaches with all the fervor of an enthusiastic evangelist.

Passing over the chapter which is devoted to giving an inkling of Mr. Thompson's pioneer work, we find an analysis of some of the differences in practise between scientific management and other current systems. These differences are most notable in connection with the handling of labor, standardization of materials and equipment, the specialization of administration, and the application of the functional and "exceptional" principles to the organization as a whole. The primary object of the system is to increase output, reduce the cost per unit of product, and raise the wages of operators. This is accomplished: first, by determining with the aid of experienced investigators the best equipment, materials, and methods to use; second, by selecting and training the workmen best fitted to accomplish the result desired; third, by determining in advance a standard of achievement for the workmen, providing them with the necessary working conditions, and rewarding them with a bonus for attaining this standard. This standard is set with reference to standardized conditions, by which is meant the determination and adoption of the best material and the best equipment obtainable, for exclusive use until a better is found and adopted. In accordance with the policy of specialization, the workman's activity is so far as possible confined strictly to actual handling of the machine or tool and of the material only so far as necessary to apply the tool to it. All other work is the function of the management. This is what is meant by the separation of planning from execution.

Historical Background of the World War

Only in the light of the History of Modern Europe can the war be judged, or its issues appreciated:—

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One notes that scientific management has had the effect of putting losing concerns into the profit-making class, and has resulted in lower prices to the public. One also notes that the American Federation of Labor is opposed to the introduction of scientific management, but Mr. Thompson suggests that labor unions in their own interest should advocate and compel the adoption of scientific management in those plants in which they could make their influence most felt; at least Mr. Thompson at one time suggested this, although he admits that he has since come to the conclusion that such a scheme was Utopian, and that before such a suggestion can be carried out there will have to be a new type of leadership, and those policies of organized labor which are incompatible with the fundamental principles in practise will have to be abandoned; and, further, the rather startling statement is made that the necessary unanimity of action on the part of all trades in a plant can be secured only by the industrial type of organisation—represented perhaps by the I. W. W.—not by that exemplified in the American Federation of Labor.

Discussing the future of scientific management, Mr. Thompson remarks that whether it will live and grow depends upon whether its inherent advantages can offset some of the difficulties now in the way of its development. Chief among these obstacles

is the conservatism and mental inertia of business managers. Business is proverbially cautious, one might almost say unprogressive. Managers consider that even in the beaten paths the risks are great enough; and it is only the exceptionally bold or the rash who will step out into the unknown, even though it may look promising. As success after success is scored by the pioneers, ordinary managers get over their timidity. To-day there is evidence of an almost undue haste to adopt the new methods. The demand for scientific management has brought forth a horde of "efficiency experts," untrained, incompetent, sometimes quacks and charlatans, whose operations are said to tend to discredit the name and purpose of the movement. This phase shows signs of passing, and a period now seems to have set in where the progressive but skeptical manager is coming to the front, who must first be convinced, and when convinced commits himself to the patient development of real science in his plant.

To quote Mr. Thompson's exact words: "Another obstacle is the cost of the best-known systems, owing to the scarcity of experts capable of developing them and the necessity of finding out by expensive experiment the very A. B. C. of the science of each new industry to which the methods are applied. The cost of the first few steps which are now being taken is so high that only plants that are able and willing to make an investment of $30,000 to $40,000, without the expectation of large returns for two years or more, are in a position to undertake the development. This obstacle also tends to disappear as experience demonstrates the certainty and largeness of the returns from such investment. The scarcity of engineers capable of developing scientific management also retards its extension. At present it is safe to say that there are not over twenty in the entire country. As all of them give their time personally to the development of their work, this puts a serious limitation on the number of plants that may avail themselves of their services. The only remedy is the discovery and development of younger men in the same field. There are signs that since Mr. Taylor's death the liberal policy of the originator of scientific management is being restricted somewhat by his immediate followers. The attention given to the subject in the colleges and business schools of the country, and the increasing demand for specialists in this work, will aid in overcoming this difficulty. To a certain extent the distrust of social workers and the opposition of organized labor tend to retard the movement; but it is my impression that the publicity resulting from active opposition, when followed by investigation and publication of facts, as it usually is, tends to aid it. There can be no question that the recent congressional debates on scientific management in the Watertown Arsenal case, uninformed as on the whole they were, called the attention of business men to the actual facts regarding the Taylor System, and resulted in an increasing interest and a desire to secure its advantages. This enumeration of the obstacles to the development of scientific management betrays their smallness and transitoriness in comparison with the greatness and permanence of the forces with which its progress is allied. Already it is demonstrating its capability of great industrial and social advantage to its users. Its close relationship to the movement for the conservation of all resources has been pointed out and its far reaching consequences as an agency for the conservation of human effort have struck forcibly the popular imagination. Finally, its inherent democracy, as exhibited in its substitution of fact, so far as possible, for the vagaries of personality, and its provision of self-government, tie it closely to the most intelligent political movements of the day. While it would be idle to deny that there are counter-tendencies to all these and that there have been abuses and misinterpretations of the principles of scientific management, it seems safe to believe that on the whole it represents an inevitable and irresistible tendency, and that therefore its extension and permanence are assured, so far as, historically speaking, there may be assurance of permanence."

One can hardly expect a work devoted to scientific management to be written in a light vein, and yet we hazard the opinion that the public at large—for it must be remembered that to make scientific management a real success not only the employer but the employee must be converted—will the more easily "take" to this subject if it is presented in a somewhat more "popular" style. Indeed, the value of such a book would be greatly enhanced if it were illustrated from life, showing actual instances of the changes for the better which scientific management had brought about.

G. W. M.

Nationalism

The Principle of Nationalities, by Israel Zangwill. New York: The Macmillan Co., Shanghai: Edward Evans & Sons, Ltd. $1.00 Mex.

A more literary comprehension of this phase of the world-engineering problem before our time, is hard to find. Seeing forces of racial and national adhesion from the standpoint of a member of a race that has been cast into every position of prestige among the peoples of the world, and bringing to his assistance the history of tribes and continents, Israel Zangwill studs his psychological analyses with the visions of Occident and Orient and the brilliancies of poet and statesman.

It was not only these characteristics that made him attractive to the Conway Lectureship under whose auspices he presented this paper. He was already known as the writer of one of the most daring attempts to dramatize the issues of the war and as one who had written on the effects of the war on a number of fundamental problems of to-day. The Lectureship has done us a distinct service in again releasing his terse epigrammatic style and familiarity with philosophic and administrative artists of to-day, upon the most acute of the problems of "social, political, and religious freedom."

The "recognition of the principle of nationalities" has been laid down by the allied leaders as one of the indispensable preliminaries to a successful peace. The principle, or fact, has always existed since nomadism gave way to tribalism. Yet none of the usual explanations of it prove adequate. After examining many of these heterogenous examples of nationalism, Mr. Zangwill comes to his own psychological analysis of nationalism as found in five different types. It is a rare privilege to follow the shafts of light he plays upon the devouring and the equalizing forces at work creating and directing the potentialities of nationalism.

M. T. P.